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Japan

Kaifu 'Likely' To Meet Gorbachev in London

OW0207115091 Tokyo KYODO in English 1140 GMT 2 Jul 91

[Text] Tokyo, July 2 KYODO—Japanese Prime Minister Toshiki Kaifu is likely to meet with Soviet President Mikhail Gorbachev in London after the economic summit of seven western industrialized nations, Foreign Ministry sources said Tuesday.

The sources said the time of the Kaifu-Gorbachev session has yet to be decided.

Kaifu plans to exchange views with Gorbachev on major pending issues, including Japan's demand for the Soviet return of four disputed North Pacific islands, they said.

Kaifu will represent Japan at the July 15-17 London summit, which will also be attended by leaders of Britain, Canada, France, Italy, Germany and the United States.

Gorbachev is being invited to visit London for a post-summit meeting with seven Western leaders.

The sources said Kaifu's meeting with Gorbachev will take place before the prime minister leaves London for a visit to the Netherlands July 18.

Gorbachev is scheduled to meet separately with U.S. President George Bush after the summit.

Kaifu Requests Report on Economic Restructuring

OW0107095991 Tokyo KYODO in English 0907 GMT 1 Jul 91

[Text] Tokyo, July 1 KYODO— Prime Minister Toshiki Kaifu asked a government study group Monday to compile a report on Japan's economic restructuring before he leaves for the London summit of seven industrial nations in mid-July, officials said.

Kaifu told the group on economic restructuring for international cooperation, headed by former Foreign Minister Saburo Okita, that he would keep the report in mind at the summit.

He said the report should give a detailed explanation of Japan's economic restructuring over the past five years, which has been promoted on the basis of an official report submitted by Haruo Maekawa, the late former Bank of Japan governor.

Kaifu also told the group that Japan is now enjoying an economic growth led by active domestic demand, rather than exports, and has seen its large current account surplus decrease steadily.

A reduction in the current account surplus was mentioned as a medium-range national policy target in the Maekawa report.

Diplomat Dismisses Isolationist Argument for G-7

OW0207014691 Tokyo KYODO in English 0109 GMT 2 Jul 91

[By Shiro Yoneyama]

[Text] Washington, July 1 KYODO—A high-ranking Japanese diplomat Monday categorically dismissed the theory that Japan might be the only country at the upcoming seven-nation London economic summit against granting massive western aid to the Soviet Union.

"I don't understand it," the diplomat said, referring to recent press reports in Tokyo claiming that Japan might find itself alone in opposing such aid.

He said a series of meetings among personal representatives of the seven leaders has suggested that such reports out of Japan are erroneous.

The diplomat made the remarks at a news briefing on Japanese Deputy Foreign Minister Hisashi Owada's current visit to Washington.

Owada met Robert Kimmitt, U.S. undersecretary of state for political affairs, on Monday. He is scheduled to continue discussions with Kimmitt and President George Bush's National Security Adviser Brent Scowcroft on Tuesday.

Leaders of the United States, Japan, Germany, France, Italy, Britain, and Canada are scheduled to meet in London July 15-17.

"In a nutshell, what all of us are concerned about is the future of the Soviet Union," the Japanese diplomat said, speaking on condition of anonymity.

The diplomat indicated that an economic declaration to be issued at the end of the London summit will reflect the West's desire to see a convincing shift in the Soviet Union from a military-led industrial structure to a democratic, free market system.

The seven leaders made the same point in the economic declaration issued at the end of last year's seven-nation summit held in Houston, Texas.

At an upcoming Japan-U.S. summit in Maine on July 11, the diplomat said, Japanese Prime Minister Toshiki Kaifu and President Bush will "frankly" exchange views on the London summit agenda, bilateral issues, and policy coordination.

"We will not have the London summit solely to discuss the issue of aid to the Soviet Union," the Japanese official said, adding the seven leaders will talk about Asia and the Pacific, Eastern Europe, the Middle East, and the United Nations.

Officials Remark on U.S.-EC Farm Trade Discord

OW0207103991 Tokyo KYODO in English 1034 GMT 2 Jul 91

[Text] Tokyo, July 2 KYODO—Top-ranking officials of the farm Ministry told Prime Minister Toshiki Kaifu Tuesday the United States and the European Community (EC) are too deeply at odds over agricultural trade reform to spur the stalled global trade talks.

In reporting the progress of the Uruguay Round of multilateral trade talks, Vice Minister of Agriculture, Forestry, and Fisheries Shigeru Motai and Jiro Shiwaku, the ministry's vice minister for international affairs, told Kaifu that Japan should not budge on the rice imports issue as long as Washington and Brussels are opposed.

Kaifu is expected to come under further pressure from Washington to open its highly-protected rice market when he meets U.S. President George Bush this month in advance of the summit meeting of the leaders of seven major industrial nations in London on July 15- 17.

In defiance of mounting calls both at home and overseas for an end to Japan's longstanding ban on rice imports, the ministry has dismissed a U.S. idea for Japan to replace its barriers against foreign rice with a tariff system.

The ministry also insisted Kaifu should stick to the stance he held during talks with Bush in April that the rice issue be covered by the global trade talks, under the General Agreement on Tariffs and Trade (GATT), and not be negotiated at a bilateral level.

Rice Production Costs Fall 1.8 Percent

OW0207055691 Tokyo KYODO in English 0321 GMT 2 Jul 91

[Text] Tokyo, July 2 KYODO—Production costs for the 1990 crop of rice fell 1.8 percent from the 1989 level to 19,706 yen per 60 kilograms, the Agriculture, Forestry and Fisheries Ministry said in a report published Tuesday.

The second consecutive annual fall in the overall production cost came as the rice yield increased 2.7 percent.

But the production cost per 10 acres (1,000 square meters) rose 0.8 percent to 174,891 yen to register the first year-to-year increase in four years.

Ministry officials attributed the increase to a 0.9 percent rise in the labor cost and a 0.7 percent increase in the cost of farm implements.

The government's rice price council takes into account a three- year average of the government-published rice production cost and commodity price rises in recommending the price for government purchases of rice from farmers.

Automakers Present Statement to U.S. Senate

OW0207080591 Tokyo KYODO in English 0310 GMT 2 Jul 91

[Text] Washington, July 1 KYODO—Japanese automakers told a U.S. Senate panel on Monday that they have dramatically boosted their purchases of U.S. automobile parts in recent years.

"The total value of Japanese purchases of U.S. parts and materials has increased over five-fold from 1.7 billion dollars in fiscal 1985 to 9.1 billion dollars in fiscal 1990, the Japan Automobile Manufacturers Association (JAMA) said in a statement.

The figures include parts purchased by Japanese automobile plants operating in the United States.

The statement was presented to the Senate Committee on Small Business' Subcommittee on Innovation, Technology and Productivity to protest recommendations made by Jack Reilly, chairman of a government advisory panel on auto parts, at the subcommittee's meeting on June 20.

"JAMA and its member companies are fully committed to developing effective long-term procurement relationships with local U.S. suppliers, consistent with the requirement of rapidly advancing production technology," JAMA Vice Chairman and Executive Managing Director Takao Tomiyama said, upon release of the statement.

Reilly, who chairs the Auto Parts Advisory Committee (APAC), has called for retaliatory action against Japanese auto parts, putting the blame on the alledged closed nature of the Japanese auto parts market for causing a huge imbalance in auto parts trade between the two countries.

According to U.S. statistics, the U.S. trade deficit in car parts with Japan last year acounted for one-quarter of the overall U.S. deficit with Japan of 41 billion dollars.

FTC To Issue Strict Guidelines on 'Keiretsu'

OW0107155091 Tokyo KYODO in English 1440 GMT 1 Jul 91

[Text] Tokyo, July 1 KYODO—Companies found engaging in antitrust practices through their Keiretsu ties will be ordered to sell their stakes in related companies after the Fair Trade Commission (FTC) issues new antimonopoly guidelines, government sources said Monday.

The guidelines to be published later in the month by the FTC also call for curbing unfair deals by major companies with dominant market shares, they said.

The stricter guidelines are in line with Japan's promises to boost its enforcement of the Antimonopoly Law. The United States has complained in bilateral talks with Tokyo that its enforcement of the law has been lax and that the law is riddled with loopholes.

The FTC issued draft guidelines in January and solicited comments from domestic and foreign antimonopoly authorities, businesses and consumers before conveying its contents to the U.S. in a follow-up meeting to the Structural Impediments Initiative (SII) talks.

The new rule concerning stock sales of companies indulging in unfair practices was drafted despite stiff opposition from the business community, which has argued that the regulation is too stern.

Under the rule, the Japanese antitrust watchdog will have the authority to force companies taking unfair advantage of their Keiretsu system, or interlocking business groupings, to give up their shares in subsidiaries and other affiliated companies.

The FTC said such illegal practices include forcing mutual deals on affiliated companies or refusing to deal with them.

In the SII talks aimed at eliminating barriers to trade and investment in both Japan and the U.S., Washington charged that the Keiretsu system was a major obstacle to trade.

The SII talks ended in June 1990.

The FTC guidelines are also designed to prevent major companies, defined as having a 10 percent market share or ranking within the top three of a given market, from forcing deals on other companies.

The commission will also set up a new consultation service for companies wanting information about the complex Antimonopoly Law.

Kaifu Advisers Advocate Opening Markets

OW2906005891 Tokyo KYODO in English 2308 GMT 28 Jun 91

[Text] Washington, June 28 KYODO—Japan should take the initiative in opening its markets further to promote its national interests, two private advisers to Prime Minister Toshiki Kaifu said Friday.

Toru Nakakita and Yutaka Harada, of the Japan Forum on International Relations Task Force, made the remarks at a Washington seminar at the Economic Strategic Institute, a think tank.

Nakakita, an associate professor of economics at Toyo University, called for further opening the markets to promote Japanese participation in the global arena. He attributed Japan's postwar economic success to global free trade and urged Japan to take the initiative in opening its domestic market to imports.

"Japan has an obligation to internationalize itself," Nakakita said. "It's time for a reorganized economic strategy."

Harada, of the Institute for Posts and Telecommunications Policy, said opening the markets would foster Japanese national interests. He said that in the past Japanese markets have been closed to maintain jobs for Japanese workers.

Now, as Japan's population declines, there will be more jobs than workers, he said. He suggested that Japan open its markets to supplement the shrinking work force and ensure future prosperity.

"The benefit of free trade is so clear, but the Japanese can't understand or don't want to understand," Harada said. Opening the markets, he said, "is not a choice. It is inevitable."

They will present specific recommendations for Japan to Kaifu in December. The recommendations include opening the rice market, investigating the merits and demerits of Keiretsu—interlocking corporate ties—and increasing imports of manufactured goods. Other recommendations include lowering land prices; establishing a clear, standard immigration law on foreign workers; and exploring the idea of a regional agreement in Asia similar to the North American Free Trade Agreement.

Ministry Urges 'Reasonable' Budgetary Requests

OW0207113191 Tokyo KYODO in English 1049 GMT 2 Jul 91

[Text] Tokyo, July 2 KYODO—The Ministry of Finance will call on other ministries and agencies to make more "balanced, reasonable" budgetary requests for special outlays totaling 400 billion yen for fiscal 1992, a top-ranking ministry official said Tuesday.

The call is designed primarily to make expenditures more widely spread and not concentrated on specific ministries or agencies, the official said.

The 400 billion yen in special outlays is aimed at boosting living standards and infrastructure.

The ministry introduced 200 billion yen outlays each in the fiscal 1990 and 1991 budgets in response to Japan's pledge in trade talks with the United States to boost its spending on public works projects.

In a final report to the Structural Impediments Initiative (SII) trade talks, Japan vowed to spend 430 trillion yen on public works projects over 10 years from fiscal 1991.

The spending will not be part of the two main sections of the budget—investment-related spending and the rest—that are subject to ceilings.

Last year, government ministries and agencies filed requests for over 1 trillion yen for the special 200 billion yen ceiling.

The official, who spoke on condition of anonymity, said the so- called "yobihi" or miscellaneous expenses will be probably raised to its former level after being reduced by Japan's 9 billion dollar contributions to the allied forces in the Persian Gulf war.

Yobihi was 350 billion yen before the contributions. But the official said it has not been decided whether the outlay should be raised to that level or not.

Fingerprinting of Korean Residents To End

OW0107141991 Tokyo KYODO in English 1307 GMT 1 Jul 91

[Text] Tokyo, July 1 KYODO—The Justice Ministry decided Monday to drop the requirement that Korean residents of Japan be fingerprinted for their alien registration cards, but left the question of exempting all foreign residents undecided.

The ministry decided in a relevant committee meeting to replace fingerprints on the registration cards for Koreans with a photograph and the bearer's signature.

Family information, including the names of a person's parents, dependents, and children, will also be registered, according to the ministry plan decided after models in European nations.

The ministry plans to have foreign residents take their photographs to local immigration offices upon application for registration so they can be used on their cards.

The new system was decided in line with an agreement reached between Japan and South Korea when Prime Minister Toshiki Kaifu visited Seoul in January this year.

Tokyo was seeking alternative methods for registering Japan's foreign residents as South Korea had demanded the scrapping of the fingerprinting requirement.

Although the ministry made no decision on extending the new measures to include all foreign residents, it will hold consultations with the Foreign Ministry and the National Police Agency for broader application.

The government is expected to decide by the end of this month at the earliest to scrap the fingerprinting requirement for all foreign residents, Justice Ministry sources said.

Subject to the Diet's approval, the government plans to implement the new alien registration system in autumn next year at the earliest, the sources said.

Nomura Chairman Dismissed as Keidanren Official

OW0107134191 Tokyo KYODO in English 1119 GMT 1 JuL 91

[Text] Tokyo, July 1 KYODO—Japan's most powerful business lobby, the Federation of Economic Organizations (Keidanren), on Monday dismissed the chairman of the scandal-tainted Nomura Securities Co. as a vice chairman.

The discharge of Setsuya Tabuchi—an unusual step for Keidanren to take—was approved at a meeting of its chairman and vice chairmen earlier in the day.

Chairman Gaishi Hiraiwa told a press conference after the meeting that the business lobby is taking the reported links between the world's biggest brokerage house and underworld gangs very seriously.

"It is not just an acceptance of his proposal to resign. We would have asked him to step down even if he was not willing to do so," Hiraiwa said.

Tabuchi announced his intention to relinquish his Keidanren post last week following the revelations of a series of scandals centering on the company's ties with gangsters and its dubious reimbursements for favored customers.

The Keidanren meeting, attended by Hiraiwa and all the 11 vice chairmen except Tabuchi, unanimously agreed on the dismissal of Tabuchi. This is the first time Keidanren has removed one of its vice chairmen.

The gathering also decided to keep Tabuchi's position vacant until the regular general meeting of Keidanren next May.

Hiraiwa said he is also taking the latest scandal seriously because Tabuchi, the first official from the securities industry to become a Keidanren vice chairman, was his own choice.

The Keidanren meeting also produced a document on establishing corporate ethics, urging member companies and their officials to "maintain a high standard of morals in consideration of their heavy social responsibilities."

Hiraiwa told the news conference that Keidanren will study ways to enhance corporate morality so as to forestall any recurrence of similar scandals.

Further Reportage on Bank Discount Rate Cut

OW0107130191 Tokyo KYODO in English 1008 GMT 1 Jul 91

[Text] Tokyo, July 1 KYODO—Japan's 11 leading commercial banks will lower their short-term prime lending rate by around 0.25 percentage point to about 7.625 percent per annum, following the just-announced cut in the official discount rate by the Bank of Japan (BOJ), banking sources said Monday.

The reduction in the short-term prime rate, the first in three months, will go into effect as early as next week.

"As short-term interest rates are moving down, the need is arising to consider a cut in the short-term prime rate," an official at a major commercial bank said.

The short-term prime rate, charged on loans of less than one year to most creditworthy customers, is based on the rates on certificates of deposit (CD's) and other financial vehicles which banks most often use to raise funds.

The rate on the benchmark newly issued three-month CD fell to the 7.6 percent level on Monday from around 7.9 percent at the end of last week, following the half a percentage point cut in the key lending rate by the central bank.

Economists View Impact

OW0107140791 Tokyo KYODO in English 1114 GMT 1 Jul 91

[By Mitsuru Mabuchi]

[Text] Tokyo, July 1 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno has long been playing the unyielding watchdog on prices, ignoring clamoring calls from property speculators, stock brokers, and small businesses for an easy money policy.

But in apparent fear of overdoing it, Mieno finally softened his stance Monday, lowering the official discount rate by 0.5 percentage point to annual 5.5 percent.

Experts believe, however, while the rate cut will help avoid a major downturn of the economy, it is unlikely to give it a big thrust. Some economists argue another rate cut is needed by the year's end to sustain the current momentum into the next fiscal year.

The central bank's cut in the key lending rate, the first in more than four years, came amid a flurry of economic indicators that point to a gradual but steady decline of the economy.

Inflation is under control despite the tight labor market, while both wholesale and consumer prices are showing signs of easing.

Housing starts are sluggish, corporate capital investment plans have been scaled back, and new car sales are soft.

The uptrend in land prices, the primary target of the BOJ's tight monetary policy, also has started subsiding.

However, there have been some indicators that appear to contradict the picture, such as the gross national product (GNP) growing at an eye-popping annual rate of 11.2 percent in the January-March quarter.

But the consensus of economists, including Mieno, is the quarterly GNP figure was a product of several special factors which converged at one time to make the economy deceptively strong.

Pundits reckon Mieno received his cue to cut the discount rate from two factors—the yen's recovery against the dollar and the forthcoming summit meeting of seven major industrialized nations in London.

"The cut could have come at any time," said Yukio Yanbe, chief economist at Dai-Ichi Kangyo Bank's Economic and Legal Research Division. "The yen's weakness has been the only major holdback for the BOJ," he said.

Russell Jones, a Tokyo-based economist at UBS Phillips and Drew International Ltd., concurred. He said the overall economic conditions have been "consistent with cutting the rate."

The yen's latest strength provided a "window of opportunity" for the central bank to lower the rate without fearing a further slide of the yen, Jones said.

The dollar has declined to the level of around 138 yen from its recent peak of over 140 yen.

As the favorable environment for a rate cut has arrived, it is quite natural for the BOJ to loosen its money policy to forestall any major downswing of the economy, said Yukihiro Harada, general manager at the economics division of the Long-Term Credit Bank of Japan.

Given there is a lag before monetary policy makes its effect felt in the market, "the central bank had to grab the current opportunity to avoid over-throttling the economy," Harada said.

"It would have been too late if the slowdown had become more apparent," he said.

The current economic conditions are quite suitable for the BOJ to make a "monetarily neutral" cut in the rate, said Atsushi Miyawaki, senior economist at the Japan Research Institute.

This time's rate lowering will not have a large impact on the overall economy, he said.

Mieno backed up this view with his remarks at a press conference after announcing the cut. He said the move is more of a fine-tuning of the interest rate level than an easing of the monetary stance.

On the July 15-17 London Summit, Harada said, "the central bank wanted to preempt another U.S. call for lower interest rates at the summit," Harada said.

Miyawaki said, "as trade friction with the U.S. is expected to intensify again, the central bank might have thought it better to score some points on the monetary front."

Experts in general brush off concerns about a renewed upsurge in land and stock prices, which created the speculation bubble in the late 1980s, risking a financial crash.

They point to the Finance Ministry's control on property-related lending and the BOJ's continued cautiousness over this issue.

Economists are also skeptical about the possibility the rate cut will force them to revise their projections on economic growth sharply upward.

The consensus prediction by a majority of economists put the growth for the year ending in March 1992 at between slightly below 4 percent and 3.5 percent, not far from the government's official projection of 3.8 percent.

As the effect of the long-awaited lower rate will soon run its course, the attention of the financial market (?UBS Phillips and Drew's) Jones said, is already focusing on the next cut in the discount rate.

Monday's rally in the bond market, which he says has mostly discounted the rate cut, will not be sustained for long.

As the call money rate is likely to decline to 7.0 percent by the end of the year, that will be a "prelude" to the next cut, which will come within six months, Jones predicted.

Miyawaki said, "if the central bank wants to guide the economy into soft landing at a growth rate slightly below 4 percent, as the government expects, another cut by the end of the year will be necessary."

Government, Business Leaders React

OW0107150991 Tokyo KYODO in English 1056 GMT 1 Jul 91

[Text] Tokyo, July 1 KYODO—Government and business leaders on Monday welcomed the Bank of Japan's [BOJ] cut in the official discount rate.

The bank lowered its key lending rate earlier in the day by 0.5 percentage point to 5.5 percent, the first such cut in more than four years.

Finance Minister Ryutaro Hashimoto said at a press conference that the rate cut was a "timely move." The step will help sustain the domestic demand-driven economic growth without inflation, he said.

"I don't think the cut will rekindle a land price inflation," he said. But he added that the ministry's current restrictions on bank lending to real estate-related businesses will continue.

Yasuo Katsumura, deputy director general of the Economic Planning Agency, said the rate cut is appropriate to maintain economic expansion into the latter half of the current fiscal year.

He brushed aside concerns about a rekindling of inflation, saying the rate cut was not large enough to destabilize prices.

Yuji Tanahashi, vice minister of international trade and industry, said the rate cut will help maintain the economy's strength.

He added the monetary policy should not dampen industries outside the nation's so-called "bubble economy."

Osamu Uno, chairman of the Kansai Economic Federation (Kankeiren), said the decision came a bit earlier than he had expected.

The securities industries also welcomed the rate cut.

"I don't believe the move signals the end of the BOJ's crusade against economic bubbles, but it is nevertheless the first good news in many weeks for the securities industry," an official of a major brokerage firm said.

But few stock analysts are forecasting a major upturn in Tokyo stock prices due to the rate cut.

"I would like to see another cut by the end of the year," an official of Nomura Securities Co. said.

Sotoo Tatsumi, president of Sumitomo Bank, said the rate cut is "quite a proper step." He said the Finance Ministry's control on lending for property deals should remain intact.

"It is not clear yet whether land prices have been completely tamed," he said.

"The restrictions should remain in place until a national consensus emerges that land prices are under complete control," he said.

Minister on Exchange Market

OW0207055591 Tokyo KYODO in English 0319 GMT 2 Jul 91

[Text] Tokyo, July 2 KYODO—Finance Minister Ryutaro Hashimoto said on Tuesday that the trend in the foreign exchange market should be watched closely following the official discount rate cut on Monday.

Hashimoto told a press conference after a cabinet meeting that the exchange market must be carefully monitored throughout the day in the wake of the cut in the key lending rate.

The Bank of Japan on Monday lowered the official discount rate by 0.5 percentage point to 5.5 percent per annum.

Ministries Agree To Cut Rates

OW0207073191 Tokyo KYODO in English 0542 GMT 2 Jul 91

[Text] Tokyo, July 2 KYODO—The Finance Ministry and the Ministry of Posts and Telecommunications agreed Tuesday to cut the interest rates on bank deposits and postal savings from July 29, officials said.

The move follows Monday's cut in the official discount rate cut by the Bank of Japan by 0.5 percentage point to 5.5 percent per annum.

The cut in savings rates, the first since March 1987, will become official after the two ministries received recommendations from their advisory panels, the officials said.

The ordinary deposit rate at banks are expected to be cut by 0.33 percentage point to 1.75 percent from 2.08 percent, and one-year time deposits by a similar point to 5.75 percent from 6.08 percent, they said.

The ordinary deposit rate on postal savings will be cut by 0.36 point, to 3.12 percent from 3.48 percent.

Bank Governor Interviewed

OW0207073991 Tokyo NHK General Television Network in Japanese 1200 GMT 1 Jul 91

[Interview with Bank of Japan Governor Yasushi Mieno by reporter Kashiwabara of the station's Economic Department; place not given; from the "News 21" program—recorded]

[Text] [Kashiwabara] As a consequence of the slight adjustment of interest rates at this time, will the stabilization of land prices continue, or will they rise in the future? Did you make the fiscal adjustment based on the belief that the so-called bubble economy has actually come to an end?

[Mieno] I will first give my conclusion on whether the bubble has disappeared. I believe that the rectification of the bubble has not been completed. At today's meeting of Bank of Japan branch managers, I heard their reports on land prices. By raising interest rates, signs of a stabilization of land prices have surfaced recently at last. Although there have been some cases of drops in land prices in urban areas, such as Tokyo, however, the reports noted that in other areas, such as Hokkaido, there had not necessarily been a stabilization of such prices. Therefore, we do not believe that the bubble has disappeared. We are lowering interest rates at this time for the reasons I have just cited. We still believe that land prices should be stabilized further, however. Of course, land prices are not decided only by financial policy. There has to be a comprehensive approach to the problem, including taxation and legislative measures. At the very least, we will continue to observe the movement of land prices and take a cautious attitude to ensure that financial factors will not cause land prices to skyrocket again as they did recently.

[Kashiwabara] This may not be a pleasant question, but do you believe that the 5.5 percent discount rate is relatively high and will contribute to the continued stabilization of land prices?

[Mieno] As I stated a while ago, compared to the previous 6 percent, 5.5 percent is indeed lower. However, will the commercial banks lend money liberally as a result? I do not believe so. At present, credit risk is very high. Under BIS [Bank for International Settlements] regulations on equity capital, commercial banks will not be able to expand their lendings significantly. Moreover, due to the financial institutions' lendings, which supported the bubble economy, various anomalies have occured, which have come under public criticism. They are now engaged in considerable soul-searching. Therefore, at this point, we do not believe that the 0.5 percent cut in the discount rate will lead again to a rush in land-related and similar lendings. Thus, as I have just stated, it will suffice to continue to maintain vigilance.

MITI Minister Urges Cut in CFC Use

OW0107154891 Tokyo KYODO in English 1140 GMT 1 Jul 91

[Text] Tokyo, July 1 KYODO—Minister of International Trade and Industry Eiichi Nakao on Monday renewed his call for Japanese industries to stop using ozone-depleting chlorofluorocarbons (CFCs) as soon as possible.

Nakao was speaking at a meeting on protection of the ozone layer which was supported by the Ministry of International Trade and Industry (MITI) and the Japan Industrial Conference for the Protection of the Ozone Layer.

Some 55 participants, including representatives of makers and user companies of CFCs, attended the meeting, held to kick off the ministry's "Ozone Layer Protection Promotion Month," which started the same day.

Nakao referred to the year 2000 as the international goal agreed last year in the so-called Montreal protocol for elimination of CFCs, and urged Japanese industries not to wait until then.

Rather, they should intensify their efforts to stop using those chemicals and accelerate development of substitutes for CFCs and other ozone-damaging chemicals cited in the protocol, like halons and carbon tetrachloride as soon as possible, he said.

Technologies developed to reduce CFC use are also expected to be transferred to developing nations, Nakao pointed out, but added that they should not be given to nations which have not signed the Montreal protocol.

In reply, Yasunobu Kishimoto, chairman of the industrial conference who is also a chairman of Showa Denko K.K., said the organization is planning to seek stronger controls on the use of CFCs and other chemicals.

Moriya Shiki, president of Mitsubishi Electric Corp., also reported his company is trying to stop CFC usage by 1995.

According to MITI officials, Japan's annual CFC consumption was reduced by 25 percent to about 110,000 tons between July 1989 and June 1990 from 147,000 tons used over the previous 12 months, as a result of efforts by industries and the government.

EC Politician: GATT Blocks Environment Policy

OW0107142091 Tokyo KYODO in English 1133 GMT 1 Jul 91

[Text] Tokyo, July 1 KYODO—The General Agreement on Tariffs and Trade (GATT) is one of the main obstacles to developing a world environmental policy, a member of the European Parliament said here Monday.

Hemmo Muntingh, a European Parliament member from the Netherlands, told an international body of politicians that draft legislation on the environment by European legislators is frequently blocked by the bureaucracy because it would infringe GATT rules.

Muntingh told the Global Legislators Organization for a Balanced Environment (GLOBE) general assembly the Administrative European Commission has blocked attempts to frame legislation aimed at banning European Community (EC) imports of tropical timber from Sarawak in Malaysia on these grounds.

"The International Tropical Timber Organization (ITTO) agrees that the rate of deforestation should be diminished in Sarawak," Muntingh said.

"Instead, Sarawak has doubled its production of tropical timber, and we have a situation where seven days a week, 24 hours a day, deforestation goes on in one of the oldest tropical forests in the world.

"But the European Commission refuses to ban imports of criminally cut timber in Sarawak because it is a violation of the GATT rules."

Muntingh said the commission also cited GATT rules when blocking proposed legislation aimed at placing threatened plant and animal species and tuna caught in nets which also harm dolphins on a list of EC banned imports.

"Every time, we jump into this wall of legalists who say that GATT is more important," he said.

GLOBE was formed in 1989 and consists of legislators from the EC, the United States, and Japan. Its members exchange information on and propose environmental legislation of global concern.

The three-day general assembly, which began Monday in the Diet building, is the first held in Japan.

The 30 GLOBE members at the assembly also heard on Monday a GLOBE EC proposal for a world forest convention to protect the world's forest timbers from deforestration.

Team To Repair War-Damaged Plant in Kuwait

OW0207014891 Tokyo KYODO in English 0100 GMT 2 Jul 91

[Text] Tokyo, July 2 KYODO—Mitsubishi Heavy Industries Ltd. (MHI) dispatched a team of experts to Kuwait on Monday to repair a thermal power plant damaged during the Persian Gulf war, thus becoming the first Japanese firm to participate in Kuwait's postwar rehabilitation, company officials said Tuesday.

The team of engineers will repair one of eight 300,000-kilowatt generators installed at a plant near Doha, they said, suggesting the job will take about two months to complete.

The officials said the generators were supplied and installed by the company.

MHI signed a contract in April with the Kuwaiti Government to repair the equipment after a team was dispatched to survey the extent of damage.

Three of the plant's eight generators were damaged. Two generators, which suffered severe damage, will be repaired later following further negotiations with the Kuwaiti Government.

Total costs are estimated at 2-3 billion yen, the officials said.

North Korea

No Tae-u's Remarks on Leaving for U.S. Viewed

SK0207040391 Pyongyang Korean Central Broadcasting Network in Korean 0025 GMT 2 Jul 91

[NODONG SINMUN 2 July commentary: "Violent Remarks by a Nation Seller Who Has Guilt Feelings"]

[Text] Upon leaving for a U.S. junket, traitor No Tae-u called the puppet deputy prime minister, the director of the Agency for National Security Planning, the justice and home ministers, and the secretary general of the Democratic Liberal Party to Chongwadae. On this occasion, he delivered a long speech, babbling about maintaining national security and public peace and order. He said that utmost precautions must be taken because someone else's provocation may take place.

As they themselves stated, the main purpose of the U.S. junket by traitor No Tae-u is to strengthen the so-called security cooperation with their masters. In other words, his is a treacherous and criminal junket to discuss schemes to maintain the U.S. imperialist aggressor troops and their nuclear weapons, to prolong the military dictatorship, and to fulfill the ambition to achieve merger reunification after prevailing over communism with the assistance of his masters.

Upon leaving for this criminal visit, traitor No Tae-u recklessly picked a fight with us and made absurd remarks. He did so because he, who was about to leave for the nation-selling visit, had guilt feelings and because he feared the popular resistance by the South Korean people.

As a matter of fact, the South Korean people in Seoul, Pusan, Kwangju, and other major South Korean cities struggled to oppose the visit to the United States by the puppet traitor and attacked an American Cultural Center in protest of the United States, which has called in No Tae-u, a murderous villain, to support and defend him. The puppet traitor is trying to mercilessly suppress this anti-U.S. and anti-No Tae-u struggle which, seizing his treacherous, traitorous, and criminal junket as an opportuenity, the South Korean people begin to intensify. He is also trying to link the people's struggle to us to justify his brutal suppression. Moreover, the puppets have suppressed the national and democratic movement forces in South Korea after describing them as leftist and procommunist forces colluding with us. They have also suppressed the struggle for independence, democracy, and reunification by the people from all walks of life after describing it as something inspired and coordinated by us.

Whenever they have been in a difficult situation, the puppets have more harshly suppressed the people after linking them to us. This is truly mean. Social chaos and instability in South Korea is caused by no one else but the puppets themselves.

Upon leaving South Korea for the United States, traitor No Tae-u talked as if he implemented all the promises for democracy he made in the 29 June declaration. Reality is quite the opposite. Traitor No Tae-u has not implemented any of the promises of the 29 June declaration. It is the traitor No Tae-u who enforced fascist security rule under the signboard of democratic development, thus completely suffocating democracy. The South Korean people are taking to the streets and chanting democracy even at this moment because they cannot tolerate and turn a blind eye to this act by the puppet. Moreover, at a time when removing U.S. troops and nuclear weapons from South Korea has become all the more urgent for peace and stability in Korea and Asia and for the independent, peaceful reunification of the fatherland, the traitor No Tae-u, running counter to this, is maneuvering to maintain U.S. troops and nuclear weapons under the pretext of security cooperation with his U.S. masters. Therefore, the people are rising up to protest it.

The puppets are trying to suppress and obliterate the South Korean people's struggle for independence, democracy, and reunification after linking it to us. This is a shameless act that cannot convince anyone. As long as the No Tae-u ring continuously commits antipopular and antinational acts, the South Korean people will more highly raise the banner of struggle against them.

Student Delegation To Go to Panmunjom 7 Jul

SK0207103491 Pyongyang KCNA in English 1019 GMT 2 Jul 91

[Text] Pyongyang July 2 (KCNA)—A spokesman for the Korean Student Committee announced that it would send as scheduled its delegation to the working-level talks between delegates of the students of the North and the South slated for July 7 in Panmunjom regarding the August 15 Grand Reunification Festival of Students in the North, the South and overseas which was initiated by the National Council of Student Representatives (Chondaehyop) of South Korea.

He told KCNA today that the Korean Student Committee sincerely welcomes and fully supports the proposal to hold the August 15 Grand Reunification Festival of students in the North, the South and overseas in Seoul, which was made by Chondaehyop at a time when the ardent desire of the whole nation to bring the reunification of the country earlier in the 1990's was rising to a high tide.

The Korean Student Committee decided to dispatch the following persons as delegates of the North side's students to the July 7 working-level talks between delegates of students of the North and the South for successfully ensuring the Grand Reunification Festival of Students:

Head: Yi Kum-chol (man)	member of the Korean Student Committee
Member: Kye Pong-il (man)	member of the Korean Student Committee
Member: Pak Un-suk (woman)	member of the Korean Student Committee

The spokesman stated that the delegation of the Korean Student Committee will go to the conference room of the

Neutral Nations Supervisory Commission in Panmunjom at 10:00 on July 7, contending that the July 7 student talks must be held without fail.

Youth Federation Urges Early Reunification

SK0107052891 Pyongyang KCNA in English 0402 GMT 1 Jul 91

[Text] Pyongyang July 1 (KCNA)—The World Federation of Democratic Youth issued a statement on June 23 calling for an earlier realization of Korea's reunification on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

The statement said that it is necessary above all to replace the Armistice Agreement with a peace agreement, realize disarmament, adopt a nonaggression declaration between the North and the South, withdraw all the war equipment including the U.S. forces and nuclear weapons from South Korea in accordance with the resolution on Korea of the U.N. General Assembly session and turn the whole of the Korean peninsula into a nuclear-free, peace zone.

It also strongly demanded that the United States discard its anachronistic policy toward Korea and actively cooperate for an early and fair solution of the Korean question.

It urged the South Korean authorities to release Yim Su-kyong and all other political prisoners at once and unconditionally.

Daily on South Policeman's 'Murder' of Civilians

SK2906064591 Pyongyang KCNA in English 0457 GMT 29 Jun 91

[Text] Pyongyang June 29 (KCNA)—A South Korean police officer fired his pistol at random in front of a restaurant in Kumo-tong, Uijongbu, Kyonggi Province, on the evening of June 26, killing four inhabitants including the restaurant owner.

This beastly murder vividly reveals what a group of human butchers engaged in man-hunting the No Tae-u military fascist clique is and what a cruel abattoir for the people the South Korean society has been reduced to, says NODONG SINMUN in a commentary today.

The murder committed by the puppet police officer with the pistol is now churning up widespread resentment among the people of all walks of life in South Korea, the news analyst says, and goes on:

When the murder case was reported the No group punished some police officials, trying to save the situation without difficulty with an "apology" and a promise to "prevent its recurrence."

This is, however, a ruse to lull the people's resistance against its fascist rule and duck its responsibility for the murder.

The murder of a group of people is an inevitable outcome of the No group's fascist "security-oriented rule."

The murderer must be punished and the No group resign without delay, bearing responsibility for the conversion of South Korea to a hell of murder.

MINJU CHOSON Views 'Assault' in South

SK0207111991 Pyongyang KCNA in English 1012 GMT 2 Jul 91

["Outcome of Fascist 'Security-Oriented Rule'"—KCNA headline]

[Text] Pyongyang July 2 (KCNA)—Cases of assault on people by puppet police have been reported one after another in South Korea recently including the pistol murder of four inhabitants by a police officer in Seoul.

The unbroken chain of atrocities by the puppet police are an inevitable outcome of the No Tae-u group's fascist "security-oriented rule," says MINJU CHOSON in a commentary today.

Noting that the puppets are feverishly driving police with loaded arms to crackdown on people, the news analyst says:

After the murder of student Kang Kyong-tae a large number of people were beaten or tortured to death or heavily injured by puppet police in South Korea. The recent pistol murder and assault trace their causes to the No Tae-u group's fascist "security-oriented rule."

The No group's gestures of "apology" and "prevention of the recurrence" when the case of pistol murder was reported was a ruse to lull the people's resistance against its fascist rule and evade its responsibility.

With no amount of artifice can the No group deceive the South Korean people or evade its responsibility for the murder and assaults.

The No group must immediately stop its fascist outrages and step down as demanded by the people.

Statement Issued Urging Yim Su-kyong's Release

SK0207050791 Pyongyang KCNA in English 1105 GMT 1 Jun 91

[Text] Pyongyang July 1 (KCNA)—The Korean Struggle Committee for the Release of Yim Su-kyong and the Measure Committee for the Rescue of the Rev. Mun Ik-hwan held a joint meeting here Sunday on the lapse of two years since coed Yim Su-Kyong visited [word indistinct] figures". [punctuation as received]

Secondly, a statement calling for the unconditional release of all the visitors to the North and the "political prisoners" shall be published in the name of the joint meeting on the lapse of two years since coed Yim's visit to Pyongyang.

Thirdly, the struggle to encourage and have the visitors to the North and all the "political prisoners" released shall be waged more powerfully in the northern half of the country with the participation of broad strata of people during the "period of the struggle for encouragement to and release of pro-reunification patriotic figures" and a consolatory group consisting of personages of all circles shall be sent to South Korea at a proper time in future.

Fourthly, measures for a joint struggle of the students in the North and the South shall be discussed for the release of coed Yim Su-kyong and active efforts be made for its realisation.

Fifthly, steps shall be taken for a broad international solidarity movement demanding the release of coed Yim Su-kyong. [passage indistinct]

South Soccer Players Pass Through Panmunjom

SK2906074591 Pyongyang KCNA in English 0538 GMT 29 Jun 91

[Text] Pyongyang June 29 (KCNA)—Players and officials of the South side of the unified Korea soccer team which had participated in the sixth world youth soccer championships passed through Kaesong and Panmunjom and went over to the area of the South side at 13:00 today.

The South side's players left Pyongyang by train this morning amid warm send-off of the North side's players of the unified Korea team.

Seeing them off at the Pyongyang railway station were Choe Yong-hae, chairman of the Football Association of the DPRK, and officials concerned.

Daily Urges Simultaneous Nuclear Inspection

SK0207062991 Pyongyang KCNA in English 0523 GMT 2 Jul 91

["A Nuclear Inspection Must Be Made Simultaneously in North and South" —KCNA headline]

[Text] Pyongyang July 2 (KCNA)—We have declared more than once that we are ready to accept nuclear inspection. What we oppose is not nuclear inspection itself but the U.S. intention to force unilateral "nuclear inspection" on us who have no nuclear weapon, while not mentioning a word about South Korea where nuclear weapons exist. NODONG SINMUN says this in a commentary today.

Noting that the United States is persisting in its anti-DPRK moves, claiming a unilateral "nuclear inspection" of the North, the news analyst continues:

The United States is now demanding a unilateral "nuclear inspection" of our area, while frequently staging nuclear war exercises threatening the DPRK after deploying a large number of nuclear weapons in South Korea. This reveals its dominationist way of thinking to oppress others with strength.

Its claim for unilateral "nuclear inspection" of our area is aimed at justifying its deployment of nuclear weapons in South Korea and continuing to pursue its nuclear blackmail policy in Asia. We do not intend to have a nuclear race with the United States but strive for the denuclearization of the Korean peninsula.

The more stubbornly the United States resorts to its claim for unilateral "nuclear inspection" of a peaceloving country which calls for denuclearisation, the more glaringly the brigandish nature of the U.S. imperialists will be exposed.

It will be a wise act for the United States to renounce its dominationist policy of nuclear blackmail and accede to our proposal for simultaneous nuclear inspection of the North and the South.

Simultaneous nuclear inspection is a vital demand related to the destiny of the Korean nation and it is a necessary step for peace in Asia.

The United States must, first of all, open to the public its nuclear weapons in South Korea and allow an inspection of them.

It must lend an ear to the unbiased demand of our people and world public and respond to our proposal for simultaneous nuclear inspection at an early date.

U.S., South Exercises on 27, 28 Jun Reported

SK3006094091 Pyongyang KCNA in English 0835 GMT 30 Jun 91

[Text] Pyongyang June 30 (KCNA)—The U.S. Pacific Airforce and Navy commands staged large-scale aerial war exercises with the sky over South Korea as the operational theatre on June 27 and 28, according to military sources.

It was aimed at increasing combat capabilities for a surprise strike and infiltration into the depths of the northern half of Korea.

Mobilized in the exercises were nuclear-capable F-16 fighter bombers based in Japan proper and the Pacific and other military warplanes of different types and fighter bombers, assault planes, observation planes and reconnaissance planes under the U.S. Airforce present in South Korea and the puppet airforce.

A total of 1,100 warplanes were involved in the exercises in two days.

Gun firing of the South Korean puppets continues in the area of the Military Demarcation Line [MDL].

105 mm artillery groups massed near the MDL at Tongpa-ri, Kumsan-ri and Chongja-ri, Paju County, on the 28th fired ten-odd shells to the opposite bank of the Nimjin River and fired at random 90 mm recoilless guns towards the MDL from Hapo-ri, Paju County.

That day the South Korean puppets fired more than 50 bullets from large-calibre machine guns and 70 bullets with M-16 automatic rifles near the Demilitarized Zone along the MDL.

On the same day, they brought formations of helicopters near Chomwon-ri, Paju County, and Hill 870 in Susan-ri, Ninje County and staged a take-off and landing exercise under our eyes.

Attack on South Consulate in U.S. Reported

SK3006093591 Pyongyang KCNA in English 0850 GMT 30 Jun 91

[Text] Pyongyang June 30 (KCNA)—The puppet consulate-general in San Francisco was attacked on June 28 with a flame bottle, an iron bar and paint, causing a great fuss on the threshold of No Tae-u's visit to the United States, radio reports from Seoul said.

A flame bottle was thrown into the toilet on the first floor of the puppet consulate-general, burning part of the interior, an iron bar was hurled into the conference room on the first floor, smashing large window panes to pieces and blue paint was sprinkled on the wall of the building.

The police of San Francisco and the U.S. Federal Bureau of Investigation built barricades around the puppet consulate-general and conducted an investigation and are intensifying guards on the hotel where No Tae-u would put up and other objects. "Voice of America" reported this incident together with the attack on the "American Cultural Center" in Kwangju on the early morning of June 28.

The radio said about 500 student attackers on the "American Cultural Center" shouted anti-American, anti-government slogans and charged that the U.S. military presence in South Korea blocked the reunification of the Korean peninsula.

Kwangju Attack on U.S. Cultural Center Noted

SK2906045591 Pyongyang KCNA in English 0437 GMT 29 Jun 91

[Text] Pyongyang June 29 (KCNA)—Some 500 students in Kwangju staged a demonstration, throwing fire bottles at the U.S. "Cultural Centre" in Kwangju on June 28, according to a radio report from Seoul.

Five of them forced their way up to the second floor of the building to occupy the "Cultural Centre" and battled with the policemen who were standing guard over it.

The guard post of the "Cultural Centre" and a police motorcycle were burnt by fire bottles.

More Rallies Mark Day of Struggle Against U.S.

SK0207053391 Pyongyang KCNA in English 0441 GMT 2 Jul 91

["Korean Working People Denounce U.S. Imperialists' New War Provocation Moves"—KCNA headline]

[Text] Pyongyang July 2 (KCNA)—Mass rallies were held in Hyesan City of Yanggang Province, Sariwon City of North Hwanghae Province and Kanggye City of Chagang Province on the occasion of the "June 25, Day of Struggle Against U.S. Imperialism", at which working people of all segments bitterly denounced the U.S. imperialists and the No Tae-u military fascist ruling group for blocking the reunification of the country while running wild in the nuclear war provocation moves to plunge our nation into nuclear holocaust.

The speakers at the rally in Hyesan said that 41 years ago, the U.S. imperialists hurled to the Korean War large armed forces two million strong, huge combat technique and equipment and military supplies and made every desperate effort to suffocate the young republic in its cradle, but sustained a disgraceful defeat by the heroic struggle of the Korean people and the People's Army soldiers closely rallied behind the party and the leader.

They bitterly denounced the U.S. imperialists and the No Tae-u group for resorting to reckless provocation moves to make a nuclear attack any moment, rendering the situation of the Korean peninsula more strained under the pretext of "nuclear inspection" of the North.

The speakers at the rally in Sariwon demanded that the U.S. imperialists look straight at the iron will of the Korean nation against war and its unswerving determination to make the Korean peninsula a nuclear-free, peace zone, stop encouraging the puppets to fascism and war and immediately quit South Korea, taking all the nuclear weapons with them.

The speakers at the rally in Kanggye stressed that with no desperate efforts can the No Tae-u puppet clique break the Korean people's will to build a unified country free from outside aggression and interference and the danger of war.

The ralliers staged demonstrations, chanting slogans condemning the new nuclear war provocation and national splittist moves of the U.S. imperialists and the No Tae-u military fascist clique.

Further on Anti-U.S. Rallies

SK0207084991

[Editorial Report] Following is a compilation of the reports on mass rallies and demonstrations held in the DPRK on the occasion of the 25 June "Day of Struggle Against the U.S. Imperialists," which were carried by Pyongyang Korean Central Broadcasting Network in Korean between 26 and 29 June.

In Kaesong, a mass rally and demonstrations were held on 26 June at the Kaesang Plaza. The rally was attended by Kim Ki-son, responsible secretary of the Kaesong Municipal Party Committee and chairman of the Kaesong Municipal People's Committee; Han In-hwan, chairman of the Kaesong Municipal Rural Economic Committee; responsible functionaries of the local party and power organs, administrative and economic institutions, and working organizations; labor heroes; standard bearers of the three revolutions; labor innovators; and "about 30,000 masses from all walks of life from the city."

Kim Ki-son was reported to speak first at the rally, followed by representatives of workers, those who fought in the Fatherland Liberation War, victims of the war, and youths and students.

According to the announcer, slogans posted in Kaesong Plaza read: "Let us realize the historic cause of national reunification with the united strength of the entire nation," "Let us turn the Korean peninsula into a nuclear-free, peace zone after forcing the U.S. imperialists to withdraw their nuclear weapons from South Korea," "We actively support and encourage the anti-U.S. and antifascist struggle of the South Korean people, youth, and students," "Down with the U.S. imperialist aggressors, the sworn enemy of the Korean people," and "Down with the treacherous No Tae-u, betrayer of the nation and traitor." (Pyongyang Korean Central Broadcasting Network in Korean 0500 GMT 26 Jun 91)

In Nampo, a mass rally and demonstrations were held in the afternoon of 26 June.

According to the announcer, slogans posted at the rally site read: "U.S. imperialist aggressors: Leave South Korea immediately," "Down with the U.S. imperialist aggressors, the sworn enemy of the Korean people," "Let us reunify the country by achieving unity between the North and South," "Let us smash the U.S. imperialists and the puppet No Tae-u clique's maneuvers to fabricate two Koreas," "Let us support and encourage the South Korean people's patriotic struggle," "Let us see to it that the blood shed by the South Korean patriotic martyrs be paid by thousand times as much," and "Let us all firmly unite around the party."

The rally was attended by Pak Sung-il, responsible secretary of the Nampo Municipal party Committee and chairman of the Nampo Municipal People's Committee; Pak Yong-tok, chairman of the Nampo Municipal Administrative and Economic Guidance Committee; and responsible functionaries of the local party and power organs, administrative and economic institutions, and working organizations, as well as generals and officers of the Korean People's Army [KPA], heroes, and labor innovators, along with "about 30,000 working masses from all walks of life in the city."

Pak Sung-il, responsible secretary of the Nampo Municipal party Committee and chairman of the Nampo Municipal People's Committee; representatives of agricultural workers, KPA officers, representatives of various other sectors spoke at the rally. (Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 27 Jun)

In Chongjin, a mass rally and demonstrations were held on 27 June. Slogans posted at the rally site read: "U.S. imperialist aggressors: leave South Korea without delay, taking along nuclear weapons and aggressive armed forces," "Let us turn the Korean peninsula into a nuclear-free, peace zone after withdrawing the U.S. imperialist nuclear weapons from South Korea," "Down with the U.S. imperialists and the No Tae-u clique who are about to plunge the land and fellow countrymen into nuclear calamity," "Let us smash the maneuvers of the U.S. imperialists and the No Tae-u clique to fabricate two Koreas," and "Let us achieve at all costs the historic cause of national reunification before the nineties go out."

The rally was attended by Kang Song-san, member of the Political Bureau of the WPK Central Committee, responsible secretary of the North Hamgyong Provincial party Committee, and chairman of the North Hamgyong Provincial People's Committee; and Kim Chung-il, chairman of the North Hamgyong Provincial Administrative and Economic Guidance Committee. Also attending were responsible functionaries of the local party and power organs, administrative and economic institutions, and working organizations, KPA generals and officers, heroes, labor innovators, and "50,000 working masses from the city," including youths and students.

The Chinese Consul General in Chongjin was reported to have been invited to the rally.

Kang Song-san and other representatives spoke at the rally. (Pyongyang Korean Central Broadcasting Network in Korean 0400 GMT 28 Jun 91)

In Sinuiju, a mass rally and demonstrations were held (date not given). Slogans posted at the site read: "Down with the U.S. imperialist aggressors, the sworn enemy of the Korean People," "Let us smash the maneuvers of the U.S. imperialists and the No Tae-u clique to fabricate two Koreas," "Let us convert the Korean Peninsula into a nuclear-free, peace zone, after forcing the U.S. imperialists to withdraw their nuclear weapons from South Korea."

Kim Hak-pong, responsible secretary of the North Pyongan Provincial party Committee and chairman of the North Pyongan Provincial People's Committee, was among those attending the rally. Kim Hak-pong was the first speaker, followed by other rally participants. (Pyongyang Korean Central Broadcasting Network in Korean 0500 GMT 28 Jun 91)

In Hamhung, a mass rally and demonstrations were held in Hamhung Plaza in front of Grand Hamhung Theater on 27 June. Slogans posted at the rally site read: "U.S. imperialist aggressors: leave South Korea immediately, taking along nuclear weapons and aggressive armed forces," "Let us convert the Korean peninsula into a nuclear-free, peace zone, after withdrawing U.S. imperialist nuclear weapons from South Korea," "Down with the U.S. imperialists and the No Tae-u clique who are scheming to throw the land and fellow countrymen into nuclear calamities," "Let us smash the maneuvers of the U.S. imperialists and the No Tae-u ring to fabricate two Koreas," and "Let us at all costs achieve the historic cause of national reunification before the nineties go out."

Hyon Chol-kyu, responsible secretary of the South Hamgyong Provincial party Committee, and Yi Tong-yon, chairman of the South Hamgyong Provincial People's Committee, attended the rally, along with KPA generals and officers and "150,000 working masses from the city."

Hyon Chol-kyu spoke first at the rally, followed by speakers representing agricultural workers and the army. (Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 28 Jun 91)

In Kanggye, a mass rally and demonstrations were held on 28 June and attended by Yi Pong-kil, responsible secretary of the Chagang Provincial party Committee and the Chagang Provincial People's Committee, and Kim Chong-o, chairman of the Chagang Provincial Administrative and Economic Guidance Committee.

The announcer read the following slogans posted at the rally site: "Down with the U.S. imperialist aggressors, the sworn enemy of the Korean people," "Down with the murderous villain No Tae-u," "Let us turn the Korean Peninsula into a nuclear-free, peace zone after withdrawing the U.S. imperialists' nuclear weapons form South Korea," and "Let us reunify the country after driving the U.S. imperialists out of our country."

Yi Pong-kil was the first speaker, followed by representatives of various sectors. (Pyongyang Korean Central Broadcasting Network in Korean 0400 GMT 29 Jun 91)

In the City of Hyesan, a mass rally and demonstrations were held on 28 June.

According to the announcer, slogans posted at the rally site read: "Down with the U.S. imperialist aggressors, the sworn enemy of the Korean people," "U.S. imperialist aggressors: leave South Korea immediately, taking along nuclear weapons and aggressive armed forces," "Down with the murderous villain No Tae-u," "Let us convert the Korean peninsula into a nuclear-free, peace zone after withdrawing the U.S. imperialists' nuclear weapons from South Korea," and "Let us reunify the country after driving the U.S. imperialists out of the country."

The rally was attended by Yom Ki-sun, responsible secretary of the Yanggang Provincial party Committee and chairman of the Yanggang Provincial People's Committee; and Kim Hung-sam, chairman of the Yanggang Provincial Administrative and Economic Guidance Committee. Yom Ki-sun spoke at the rally. (Pyongyang Korean Central Broadcasting Network in Korean 0500 GMT 29 Jun 91)

In Sariwon, a mass rally and demonstrations were held on 28 June in Sariwon Plaza. Slogans posted at the rally site read: "U.S. imperialists: leave South Korea immediately, taking along their nuclear weapons," "Down with the murderous villain No Tae-u," "Let us achieve at all costs the historic cause of national reunification on the united strength of the entire nation," and "Let us see to it that the blood shed by the South Korean patriotic martyrs be paid by thousands time as much."

The rally was attended by Kang Hyon-su, responsible secretary of the North Hwanghae Provincial party Committee and chairman of the North Hwanghae Provincial People's Committee; Kim Hong-chung, chairman of the North Hwanghae Provincial Administrative and Economic Guidance Committee; and others. Kang Hyon-su spoke. (Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 29 Jun 91)

UN Observer Meets Perez de Cuellar 26 Jun

SK2906051691 Pyongyang KCNA in English 0454 GMT 29 Jun 91

[Text] Pyongyang June 29 (KCNA)—Javier Perez de Cuellar, secretary general of the United Nations, met Pak Kil-yon, chief of the permanent observer mission of the Democratic People's Republic of Korea to the United Nations, on June 26.

Noting that the consistent claim of the United Nations is to realize denuclearisation of the whole world, he said:

Proceeding from this basic stand, the United Nations regards the proposal of the DPRK Government to establish a nuclear-free, peace zone as affirmative.

I welcome once again the DPRK Government's decision to join the United Nations, regarding it as a wise step.

CPPCC Delegation Arrives in Pyongyang 27 Jun

SK2706154891 Pyongyang KCNA in English 1526 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—A delegation of the Chinese People's Political Consultative Conference led by vice-chairman of the CPPCC National Committee Qian Zhengying arrived here today.

It was met at Pyongyang Railway Station by presidium member Yo Yon-ku and Director of the Secretariat Yu Ho-chun of the C.C. [Central Committee], the Democratic Front for the Reunification of the Fatherland and Chinese Ambassador to Korea Zheng Yi.

The C.C., the Democratic Front for the Reunification of the Fatherland arranged a party for the delegation this evening.

Yin Kesheng-Led CPC Friendship Group Arrives

SK2806154091 Pyongyang KCNA in English 1516 GMT 28 Jun 91

[Text] Pyongyang June 28 (KCNA)—A friendship visiting group of the Communist Party of China led by Yin Kesheng, secretary of the Qinghai Provincial Committee of the CPC, arrived here today.

Chinese Film Week To Mark CPC Founding

SK2806154291 Pyongyang KCNA in English 1517 GMT 28 Jun 91

[Text] Pyongyang June 28 (KCNA)—A Chinese film week opened on the occasion of the 70th anniversary of the founding of the Communist Party of China.

An opening ceremony took place at the Pyongyang International Cinema House today.

Invited there were Chinese Ambassador to Korea Zheng Yi, his embassy officials, and Chinese students and technicians.

Present on the occasion were Vice-minister of Culture and Art Kim Chong-ho, officials concerned and working people in the city.

Speeches were exchanged before a Chinese feature film was screened.

Chinese films will be screened at cinema houses in Pyongyang, Chongjin and Sinuiju during the film week ending July 4.

Choe Tae-pok Meets Chinese Broadcasting Group

SK3006082891 Pyongyang KCNA in English
0816 GMT 30 Jun 91

[Text] Pyongyang June 30 (KCNA)—Choe Tae-pok, secretary of the Central Committee of the Workers' Party of Korea, met and had a friendly talk Saturday with the delegation of the Ministry of Radio, Cinema and Television of China headed by its Vice-Minister Tian Congming.

Cha Sung-su, vice-chairman of the DPRK Radio and TV Broadcasting Committee, was on hand.

The head of the delegation referred to the achievements made by the Korean people in socialist construction under the wise leadership of the great leader Comrade Kim Il-song and the Workers' Party of Korea. The grand monumental edifices including the West Sea barrage well show the creative strength of the Korean people, he said, adding:

The Chinese and Korean peoples will advance together in the struggle for socialism, no matter which way the wind may blow.

Kim Yong-sun Receives PRC Liaoning Delegation

SK3006083391 Pyongyang KCNA in English
0819 GMT 30 Jun 91

[Text] Pyongyang June 30 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, Saturday met and had a friendly conversation with a delegation of the Liaoning provincial committee of the Communist Party of China [CPC] led by Sun Qi, alternate member of the Central Committee of the CPC and permanent secretary of the Liaoning provincial party committee.

The head of the delegation said he was deeply impressed by the achievements of the Korean people in the struggle to implement the Third Seven-Year Plan, upholding the Banner of Three Revolutions, under the wise leadership of the great leader Comrade Kim Il-song and said that the Chinese people sincerely rejoice at the achievements registered by the Korean people in socialist construction.

He fully supported national reunification through confederacy on the basis of one nation, one state, two systems and two governments put forward by the great leader.

Delegations Leave for China, Pakistan

SK2906153791 Pyongyang KCNA in English
1517 GMT 29 Jun 91

[Text] Pyongyang June 29 (KCNA)—A party workers vacation group of the Workers' Party of Korea [WPK] headed by Kim Sang-ho, alternate member of the C.C. [Central Committee], the WPK, and chief secretary of the party committee of the Pukchang thermal power complex, and a delegation of the Ministry of General Education of Korea headed by its Minister Yi Chong-chu to visit China and a Korean Government economic delegation headed by Chon Il-chun, vice-minister of external economic affairs, to visit Pakistan left Pyongyang on June 29.

PRC Delegations Bring Gifts for Kim Chong-il

SK0107120291 Pyongyang KCNA in English
1115 GMT 1 Jul 91

[Text] Pyongyang July 1 (KCNA)—The dear leader Comrade Kim Chong-il received gifts from a delegation of the National Committee of the Chinese People's Political Consultative Conference led by its vice-chairman Qian Zhengying, a friendship visiting group of the Communist Party of China led by secretary of the Qinghai Provincial Committee of the CPC Yin Kesheng and a friendship visiting group of the Chinese People's Liberation Army [CPLA] led by political commissar of the Nanjing military area of the CPLA Shi Yuxiao on a visit to Korea.

The gifts were handed to officials concerned by the heads of the delegations.

Chinese Ambassador Hosts Anniversary Reception

SK0207062791 Pyongyang KCNA in English
0502 GMT 2 Jul 91

[Text] Pyongyang July 2 (KCNA)—Chinese Ambassador to Korea Zheng Yi hosted a reception at his embassy Monday evening to mark the 70th anniversary of the founding of the Communist Party of China.

Ambassador Zheng Yi and Kye Ung-tae, member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, made speeches at the reception.

After reviewing the brilliant road covered by the Communist Party of China over the past 70 years, Zheng Yi said:

The Korean people under the leadership of their great leader President Kim Il-song and the Workers' Party of Korea are vigorously striving to build a more prosperous and rich country, keeping to the road of socialism.

The party, the Government and people of China will as ever invariably support the just struggle of the Korean people for the independent and peaceful reunification of the country.

Stating it is a consistent policy of the CPC to steadily consolidate and develop the relations between the parties of China and Korea, he stressed: To further strengthen the relations between the two parties under the present international situation is all the more important in frustrating the imperialists' moves of "peaceful transition" and maintaining the socialist system in the two countries.

Speaking next, Kye Ung-tae outlined the significance of the founding of the CPC. He said that the Chinese people owe it to the guidance of the CPC that they could build a new socialist China on a vast land where centuries-old backwardness and poverty had prevailed and, as a result, the balance of forces in the international arena could turn decisively in favour of the side of the revolution.

The leading body of the CPC with respected Comrade Jiang Zemin as the core is maintaining the party's leadership of the revolution and construction, putting it forward as an important task to build up more firmly the party from its basic organizations and intensify politico-ideological education among the party members and other working people, he said, stressing: Our party and people will dynamically advance along the road of socialism shoulder to shoulder with the fraternal Chinese party and people in the future, too.

Meanwhile, the Chinese consulate general in Chongjin gave a reception on June 30 to mark the anniversary.

WPK Arranges Reception To Mark CPC Founding

SK0207054491 Pyongyang KCNA in English 0458 GMT 2 Jul 91

[Text] Pyongyang July 2 (KCNA)—The Kaesong Municipal committee of the Workers' Party of Korea [WPK] arranged a reception Monday evening on the occasion of the 70th anniversary of the founding of the Communist Party of China.

Invited were Zhao Sian, senior staff member of the delegation of the Chinese People's Volunteers of the Korea-China side to the Military Armistice Commission, and the members of the delegation.

Present were Yi Pyong-yong, secretary of the Kaesong Municipal committee of the WPK, Hong Ae-hui, vice-chairman of the Kaesong Municipal Administration and Economic Guidance Committee, and other officials concerned.

Speeches were made there.

The reception proceeded in a friendly atmosphere.

Kim Il-song Sends Educational Funds to Japan

SK2906111091 Pyongyang KCNA in English 1030 GMT 29 Jun 91

[Text] Pyongyang June 29 (KCNA)—The great leader President Kim Il-song sent another installment of educational aid fund and stipends amounting to 138,260,000 yen (in Japanese currency) to Koreans in Japan for the democratic national education of the General Association of Korean Residents in Japan (Chongnyon).

The aid fund and stipends sent by him in 118 installments until now for the children of Koreans in Japan total 40,963,942,433 yen.

This warm solicitude will greatly encourage the patriotic work of the Koreans in Japan in their devoted efforts for the prosperity of the socialist homeland, the independent and peaceful reunification of the country and the strengthening and development of the movement of Korean residents in Japan, while contributing to the development of the democratic national education of Chongnyon.

Seminar in Japan Urges Nuclear-Free Areas

SK0107110391 Pyongyang KCNA in English 1048 GMT 1 Jul 91

[Text] Pyongyang July 1 (KCNA)—The appeal adopted at a seminar on "Peace in Asia and Women's Role" recently held in Tokyo called for the establishment of nuclear-free zones in Japan and on the Korean peninsula to dispel nuclear weapons in all parts of Asia.

Urging the Asian women to concentrate efforts on the independent and peaceful reunification of Korea, the appeal said:

The Japanese women know better than anyone else that Japan must sincerely repent of its past colonial domination over Korea.

The Asians hope for Korea's reunification to remove the seed of war from Asia.

We expect a new climate will be created for Korea's reunification through free meeting and expansion of dialogues, exchange and cooperation between women and people of the North and the South of Korea and an early normalization of diplomatic relations between Japan and the Democratic People's Republic of Korea.

Choe Kwang Attends Soviet Army Performance

SK2906064091 Pyongyang KCNA in English 0449 GMT 29 Jun 91

[Text] Pyongyang June 29 (KCNA)—The Twice Red Flag Song and Dance Ensemble of the Soviet Army named after A. V. Aleksandrov gave a performance for guests of honor in Pyongyang on June 28.

Invited there were General Choe Kwang, chief of general staff of the Korean People's Army, General Chon Mun-sop, officials concerned, working people in the city, People's Army Soldiers and artistes.

Soviet Ambassador to Korea Aleksandr Kapto and his embassy officials and Soviet guests saw the performance.

The performers put on stage a colourful program of chorus and dance numbers reflecting the heroic feats displayed by the Soviet soldiers in the past patriotic war and their military trainings and Korean songs. The performance was acclaimed by the audience.

A basket of flowers was conveyed to performers in congratulation of their successful performance.

Kim Tal-hyon Returns From Singapore, Thailand

SK2706154491 Pyongyang KCNA in English 1525 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—The DPRK Government trade delegation led by Vice-premier and chairman of the external economy commission Kim Tal-hyon returned home today after visiting Singapore and Thailand.

Kim Tal-hyon Receives Ugandan Official 29 Jun

SK2906153891 Pyongyang KCNA in English 1516 GMT 29 Jun 91

[Text] Pyongyang June 29 (KCNA)—Vice-premier Kim Tal-hyon today met and had a friendly conversation with the government economic delegation of Uganda led by Minister of State of the Presidential Office Anthony Logulu Butele.

Present there was Vice-minister of External Economic Affairs Han Tae-yol.

Kim Il-song Receives Ugandan Delegation

SK0107114791 Pyongyang KCNA in English 1110 GMT 1 Jul 91

[Text] Pyongyang July 1 (KCNA)—The great leader President Kim Il-song today received the government economic delegation of Uganda led by Minister of State of the Presidential Office Anthony Logulu Butele on a visit to Korea.

Present on the occasion were Vice-premier Kim Tal-hyon and Vice-minister of External Economic Affairs Han Tae-yol.

The head of the delegation conveyed a personal letter of Yoweri Museveni, president of the Republic of Uganda, to president Kim Il song.

President Kim Il-song had a talk with the guests in a cordial and friendly atmosphere.

He received a gift from the head of the delegation.

Cha Pong-chu Welcomes Syrian Delegation 29 Jun

SK3006100691 Pyongyang KCNA in English 0846 GMT 30 Jun 91

[Text] Pyongyang June 30 (KCNA)—A delegation of the Ministry of Foreign Affairs of Syria headed by Vice-Minister Yusuf Shakkur arrived here on June 29.

It was met at the airport by Vice-Minister of Foreign Affairs Cha Pong-chu and Syrian Ambassador to Korea Yasir Farah.

Kim Yong-nam Meets Syrian Delegation

SK0107054291 Pyongyang KCNA in English 0421 GMT 1 Jul 91

[Text] Pyongyang July 1 (KCNA)—Vice-Premier and Foreign Minister Kim Yong Nam met and had a friendly conversation with the delegation of the Ministry of Foreign Affairs of Syria headed by Vice-Minister Yusuf Shakkur at the Mansudae Assembly Hall on June 30.

Noting that the Korean people have achieved brilliant feats and successes in all fields, the head of the delegation stressed that it is a fruition of the embodiment of the chuche idea founded by the great leader His Excellency President Kim Il-song.

He expressed the belief that the Korean people will surely accomplish the cause of the peaceful reunification of the country.

National Economics University Anniversary Marked

SK0207055491 Pyongyang KCNA in English 0509 GMT 2 Jul 91

[Text] Pyongyang July 2 (KCNA)—A meeting marking the 45th anniversary of the founding of the University of National Economics was held at the People's Palace of Culture Monday.

Attending there were Han Song-yong, member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea [WPK], Choe Yong-nim, alternate member of the Political Bureau of the WPK Central Committee and vice-premier of the Administration Council, Kim Chung-nin and Pak Nam-ki, secretaries of the WPK Central Committee, and other officials concerned.

Kim Kuk-hun, president of the University of National Economics, made a report.

He recalled that the great leader Comrade Kim Il-song, attaching primary importance to the solution of the problem of cadres from the first days of the country's liberation, saw to it that the training of national cadres preceded all other work, founded the central higher guiding cadres school, the predecessor of the University of National Economics, and made a historical speech at the opening ceremony on July 1, 1946.

With the foundation of the school, our party came into possession of a dependable cadre training centre to systematically bring up leading members of the state economic organs and a solid guarantee was created for training a powerful backborn force which would actively contribute to ensuring the monolithic guidance of the leader over the state activities and economic and cultural construction and modelling the society on the chuche idea, the reporter noted, and said:

The great leader in his highly important teachings including his speeches at the opening ceremony and the first graduation ceremony of the school gave detailed instructions on the mission and duty of the school, the educational system and the composition of students, the content and method of education. In the grim period of the Fatherland Liberation War, he visited the school and indicated ways for the development of the school work and the improvement of the power organs in the wartime and after the ceasefire, strengthened and developed the school into the University of National Economics in compliance with the requirements of the developing revolution.

Noting that the University of National Economics built its framework as a base of realising the regularization of the state economic management and entered a new road of its development under the wise leadership of our party in the 1970s, the reporter said: The dear leader Comrade Kim Chong-il led the university to further improve the quality of cadres training to suit the accomplishment of the cause of modelling the whole of society on the chuche idea.

He saw to it that the university worked out the educational content in keeping with the character of the cadre training institution, popularized teaching, widely introduced the heuristic method of teaching and modernized educational means so that the students could profoundly understand the content. He also led it to constantly improve the qualitative level of the study rooms of different domains of the national economy, model units and educational and scientific films which are basic means of education for the regularization of the management of the economy and properly use them.

Meanwhile, a scientific symposium was held in Pyongyang on June 29 to mark the 45th anniversary of the founding of the University of National Economics.

1 Jul Speech Calls Kim Chong-il 'Great Leader'

SK0207111691 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 1 Jul 91

[Speech by Kim Kuk-hun, president of University of National Economics, at meeting held on 1 July at the People's Palace of Culture to mark the 45th anniversary of of the founding of the university—recorded with portions read by announcer]

[Text] Comrades: We are now meaningfully greeting the 45th anniversary of the founding of the University of National Economics, which was founded by none other than the great leader, with boundless glory and lofty pride, at a stirring moment when all the people across the country are engaged in a vigorous struggle to demonstrate the superiority and vitality of our own style of socialism even further and to hasten the independent and peaceful reunification of the country, upholding the great leader Comrade Kim Il-song's New Year Address and the dear leader Comrade Kim Chong-il's immortal work entitled "Our Own Style of Socialism Centered on the Popular Masses is Invincible and Ever-Victorious."

In retrospect, the past 45 years since the founding of our university has been a triumphant course of brilliantly embodying our party's unique policy on the training of cadres based on the immortal chuche idea, a glorious history adorned with the great leader's and the dear comrade leader's wise leadership over, their warm love, and deep consideration for the faculty and students of our university, as well as a proud period replete with the loyalty of the faculty and students of our university for the party and leader.

The great leader who had accomplished the historic cause of national liberation by organizing and leading the glorious anti-Japanese armed struggle, attaching primary importance to the solution of the problem of cadres from the first of the country's liberation, saw to it that the training of national cadres take precedence over everything else, founded the Central Higher Guiding Cadres School, the predecessor of the University of National Economies.

The great leader Comrade Kim Il-song has taught: We should establish a Central Higher Guiding Cadres School in order to freshly train cadres capable of running and managing the power organs and economic affairs, while reeducating the functionaries already at service.

The (?work) of building the party and state of the working class and economic and cultural construction is the party's main function and it begins with organizing the ranks of national cadres.

Basing himself on the inevitable demands of the working class in realizing the revolutionary cause and on [word indistinct] of our country's cadres, the great leader put forward a proposal for founding the Central Higher Cadres School as a way of training mid-level cadres of the country, and then sagaciously organized and led himself the work designed to realize the proposal.

Even without taking a rest to recover from the exhaustion from the protracted anti-Japanese armed struggle and even during his busiest time under the weight of the causes of building the party, the government, and the army, the great leader chose the site of the Central Higher Cadres School. Throughout the entire period of preparing for the founding of the school, the great leader kept getting information on the progress in preparing the opening of the school almost every day, while providing the school with educational conditions, and solved all the questions arising in accelerating the curricular programs.

With the preparations for the opening of the school successfully carried out under the wise leadership and his careful solicitude, the Central Higher Cadres School, the predecessor of the University of National Economics, came to proudly declare before the world its own birth on 1 July 1946, despite the difficult and complicated circumstances immediately after national liberation, making a vigorous first step on the road of a rewarding struggle. [applause]

Thus, the great leader offered the opportunity of training the mid-level national cadres by opening the Central Higher Cadres School. It was a significant event of having successfully solved the question of national cadres, a pressing question that arose in building a new society, by brilliantly embodying our party's tradition of training the revolutionary cadres established during the anti-Japanese revolutionary struggle, and of accelerating the revolution and construction.

With the founding of the Central Higher Cadres School, our party came into possession of a dependable cadre training center to systematically bring up commanding members of the state economic organs and a solid guarantee was created for training a powerful backbone force which would actively contribute to ensuring the monolithic guidance of the leader over the state activities and economic and cultural construction.

Even since the school was founded, the fatherly leader has given the school 21 rounds of on-the-spot guidance and programmatic teachings on about 130 occasions, while presenting wise programs to improve and strengthen the work of training cadres capable of running the economic management of the nation without interruption, according to the demands of the party and developing revolution, and has warmly led us in successfully realizing those programs. [applause]

[Announcer interrupts] Then the reporter noted the fact that the great leader and the dear comrade leader guided the faculty and students at every period of our party and the developing revolution and the great love and trust they had in the university.

After noting the successes attained by the University of National Economics under the wise leadership and warm love of the great leader and the dear comrade leader, the reporter continues with Kim Kuk-hun speech:

Indeed, the proud course traversed by the University of National Economics is a glorious history shining with the great leadership of the great leader and the dear comrade leader, a history of infinite benevolence adorned with the noble love of the great leader and the dear comrade leader for the revolutionary fighters, and a rewarding history of proving the truth that honoring of the great leader and the dear comrade leader is the source of all victories, glories, lasting prosperity, and happiness.

Availing myself of this meaningful meeting, I offer the highest honor and warmest gratitude, reflecting the boundless loyalty and filial devotion from all of us, to the respected and beloved leader and the dear comrade leader who have founded our university themselves and developed and strengthened it into a reliable cadre training center of the party while building our own style of socialism, the most superior socialism in our land. [applause]

Comrades: Our university now faces a heavy but honorable task to make still greater progress by effecting a great upsurge in the work of indoctrinating on the teachings.

Loyalty and filial devotion to the party and leader are the noble ideological and spiritual traits that each of the revolutionary fighters should try to emulate. However, the faculty and students at the party cadres training center, the breeding ground of the cadres, the main force of the party, the commanding members of the revolution, and the educators of the masses, should have a higher degree of loyalty and filial devotion to the party and leader than anybody else.

Our faculty and students should always try to burn their hearts with determination—loyalty and filial devotion—to honor the great leader and the dear comrade leader, making their hearts beat with an iron-clad faith and resolve to follow the guidance of the great leader and the dear comrade leader under any adverse situation, to share life and death and fate with them.

Thus, they should regard the Dear Comrade Kim Chong-il as the great leader of consummating the chuche cause [chuche wiobui wansongui widaehan suryong] and as the iron-clad spiritual column, invariably trust and follow none but the dear comrade leader in time of joy or difficulties, and fulfill their duty of realizing the dear comrade leader's ideology and leadership as truly loyal subjects and filial sons.

At a time when the imperialists and reactionaries are carrying out anti-socialist maneuvers more maliciously than ever, we should become the standard bearer in carrying out a struggle, more aggressively and more boldly, to completely smash the enemy's vicious scheme to wipe out socialism, under the banner of the chuche idea, the banner of socialism.

All the faculty and students should demonstrate even more highly the revolutionary work trait of devoting themselves in a struggle for the party, people, society, and groups and the noble and sound life trait of mutually helping and guiding and working and living out of faith and optimism, rejecting senility [nosoe] and stagnation, easygoing and slackened discipline.

We should bring the educational programs to perfection, raise the political, ideological, and scientific, and (?theoretical) level of education even higher by fully revising the textbooks and teaching methods in all the subjects, including economic management, and see to it that the chuche-oriented theory on the socialist economic management and its embodiment, the Taean Work Method, be defended and implemented resolutely.

We should improve the teaching methods even more, refine the educational methods of [word indistinct], including exercises and experimentations, even further, provide the preparations and educational means, such as the [word indistinct] institutes of the national economy, institutes of each sector of the national economy, and model units, more superbly according to the educational demands and then continue deepening the work designed to effectively use these institutes.

Making the students establish the revolutionary trait more thoroughly is an important call for raising the quality of education. We should effect new changes in establishing a revolutionary trait of study by strengthening discipline in the students and by thoroughly implementing the idea that study being their first order of business so as to raise their desire for study without interruption.

By firmly establishing a revolutionary trait of study in the teachers and researchers and by deepening the scientific research projects, theories on the chuche-oriented economic management in particular, and on ways to implement the theories, so that all the teachers and researchers become well-versed in the subjects they teach or study, and raise their scientific and theoretic qualifications and educational qualifications as well, within the short period of time a notch higher.

The teachers and researchers at the party cadres training center are not merely scientific or educational functionaries but fervid advocates of the party policy, its active propagandist and implementers.

Teachers and researchers should write and publish en masse dignified articles to explain and propagate the chuche-oriented theories on the socialist economic management and its embodiment, the party's economic policy; improve the economic management based on the actualities where the party's policy is being embodied; deeply study the problems arising in accelerating the economic construction so as to bring teaching closer to practicing and make it positively contribute to implementing the party policy.

To improve the (?accounting and administrative works) and school management is one of the important problems arising in implementing the party's policy on training of cadres.

We should regularize and standardize the school administrative work and management work according to the demands of the education on regularizing the economic management so as to establish within the framework of the university revolutionary disciplines of strictly carrying out the educational programs on the campuses, and see to it that the working conditions, academic conditions, and living conditions for the faculty and students guaranteed more satisfactorily.

The key to successfully realizing all these tasks facing us is for the faculty and students to strengthen their party life. We should vigorously carry out the struggle to emulate the examples set by the party members of the Second Cell of the Fifth Department of the Korean Central News Agency and writers at the Korean Literary Production Co., so as to raise the level of party life a notch higher and make all the party cells on the campuses attain the honor of being the loyal cells.

Today, our university faces a truly important and responsible duty and task. The tasks we have been given may be heavy, but we are filled with firm resolve and faith that we can brilliantly carry them out if we are under the wise leadership of the party and leader.

We should brilliantly fulfill the honorable duty and tasks given by the party and leader by vigorously carrying out the struggle under the wise leadership of the dear comrade leader, upholding the great leader, by demonstrating highly our loyalty and sincere filial devotion.

In concluding, reflecting the unanimous loyalty and filial devotion of our faculty and students as well as all the functionaries who are with us now, I wish the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il a long life and good health for our fatherland's boundless prosperity and, our people's lasting happiness. [applause]

Enterprises Reportedly Overfulfill Quotas

*SK3006082091 Pyongyang KCNA in English
0803 GMT 30 Jun 91*

[Text] Pyongyang June 30 (KCNA)—Many factories and enterprises in different fields of the national economy have carried out their first half year plans one after another.

The Musan mining complex and the Unnyul mine have overfulfilled their first half year plans for the production of iron headings.

The Sangwon cement complex carried out the first half year plan as of June 28 at 103.8 percent in total output value, at 100 percent in cement, at 102.4 percent in limestone, at 101.4 percent in firebricks and at 100.4 percent in potassic fertilizer.

The Kim Chong-tae electric locomotive complex fulfilled its first half year plan, 26.3 percent higher than that in the same period last year, at 100.9 percent as of June 28.

The General Bureau of Marine Transportation hit its first half year target for freight transport at 105.1 percent.

In the period the transport of main construction materials was overfulfilled by 29.8 percent, that of raw material and fuel for metal industry and other key industries by 36 percent and farming materials by 95.7 percent.

KCNA Reviews 2 Jul Pyongyang Press

*SK0207062491 Pyongyang KCNA in English
0529 GMT 2 Jul 91*

[Press review]

[Text] Pyongyang July 2 (KCNA)—Papers here today carry photo-illustrated news that the great leader President Kim Il-song received a delegation of the national Committee of the Chinese People's Political Consultative Conference, a friendship visiting group of the Cmmmunist Party of China, a friendship visiting group of the Chinese People's Liberation Army and the government economic delegation of Uganda.

The dear leader Comrade Kim Chong-il were presented with gifts by the delegation and visiting groups of China and head of the Ugandan Government economic delegation, reports the press.

NODONG SINMUN reports that President Kim Il-song's answers to the questions raised by the president of the KYODO News Service was reported by foreign newspapers.

The paper carries a letter to Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea, sent by Rashed Khan Menon, general secretary of the C.C., the Workers' Party of Bangladesh, in support of the joint statement of the political parties and public organizations of the DPRK, and a solidarity message to him by Sam Marcy, chairman of the Workers' World Party of the United States, on the occasion of the month of solidarity with the Korean people.

The paper in an article says that Comrade Kim Chong-il wisely led the building of a preventive hospital equipped with a complete set of up-to-date dental facilities in Hamhung City, an industrial city of Korea.

The paper reports about "the model machine movement of loyalty" for emulating lathe No. 26 which is gaining momentum in all domains and at all units of the national economy.

Econews of the press includes reports that working people of the General Bureau of Land Transport, the Yongsong General Machine Bureau and other sectors of the national economy are keeping innovations in the production and construction in the spirit with which they overfulfilled the first half year plans.

NODONG SINMUN runs an article entitled "Wise Leadership of Our Party Which has Laid Solid Social and Class Foundations of Socialism".

Given in the press are accounts of a meeting marking the 45th anniversary of the establishment of the University of National Economics and of a general meeting of the Association for the Promotion of DPRK-Japan Friendship.

NODONG SINMUN gives accounts of a reception arranged by the Chinese ambassador to Korea on the occasion of the 70th anniversary of the foundation of the Communist Party of China and a meeting held to mark the 40th anniversary of the establishment of the Sinuiju college of disabled soldiers.

Appearing in the press are a report about a joint meeting of the Korean Struggle Committee for the Release of Yim Su-kyong and the Measure Committee for the Rescue of Rev. Mun Ik-hwan and a statement made public by the joint meeting in demand of the release of the visitors to the north and the political prisoners in South Korea.

The acting chairman of the Central Committee of the Red Cross Society of the Democratic People's Republic of Korea sent a telephone message to the South Korean Red Cross president and a South Korean student came over to the northern half of Korea through the Military Demarcation Line in the western sector of the front on July 1, says the press.

South Korean news of the press include reports about an anti- "government" demonstration of South Korean students in front of the Chongju women's prison where woman student Yim Su-kyong is kept and about a funeral ceremony for Pak Chang-su, union chairman of the Hanjin Heavy Industries Co. who was tortured to death by the authorities.

NODONG SINMUN comes out with an article entitled " 'Democratic Liberal Party's Regime' Rejected by People Must Resign" and with a commentary denouncing No Tae-u for slandering the DPRK to intensify suppression of the people before he left for the United States.

In a commentary, MINJU CHOSON brands the unending cases of gun-firing and violence by the puppet police as an offspring of the fascist "security-oriented rule".

The withdrawal of U.S. troops and nuclear weapons is strongly demanded in foreign countries on the occasion of the month of June 25-July 27 anti-U.S. joint struggle, says the press.

NODONG SINMUN runs a commentary captioned "Nuclear Inspection Must Be Made Simultaneously in the North and the South", which criticizes the United States for resorting to its unilateral "nuclear inspection" campaign.

The paper informs the readers that an art performance was given in Beijing on the occasion of the 70th anniversary of the foundation of the Communist Party of China, the Seychellois president visited China, the president of the State of Palestine denounced the hostile acts of the United States and Israel against his country and Nelson Mandela, vice-president of the African National Congress of South Africa called for unity among the natives.

Introduced in the press are the achievements made by the Chinese people in the socialist construction under the leadership of the Communist Party of China.

South Korea

'Rare' No Tae-u Call to Kim Tae-chung Reported

SK2906042591 Seoul YONHAP in English 0228 GMT 29 Jun 91

[Text] Seoul, June 29 (YONHAP)—In a rare move, President No Tae-u spoke with opposition leader Kim Tae-chung by telephone for seven minutes before he left Saturday for a state-visit to the United States.

"South Korea will play a role in contributing to peace in northeast Asia on an equal footing with the United States and Japan, which were major dialogue partners on security issues in the region," No was quoted as telling Kim.

No said that during his talks with U.S. President George Bush he would keep the national interests of Korea at heart and comment on opening the agricultural and fisheries markets.

"I don't see the United States putting pressure on Korea on that. So don't worry too much," No said.

The veteran opposition leader said he hoped the summit would contribute to restoring peace in northeast Asia and on the Korean peninsula and that Korea-U.S. relations would be independent and their close ties intact.

Kim asked No to prevent rapid opening of the agricultural and fisheries markets.

Reportage on No Tae-u's U.S. Visit Continues

Party Spokesmen on Expectations

SK2906082091 Seoul YONHAP in English 0457 GMT 29 Jun 91

[Text] Seoul, June 29 (YONHAP)—The ruling party expects President No Tae-u's state visit to Washington would ultimately contribute to Korean reunification, but the opposition worries No may give away too much in trade negotiations during talks with Washington officials next week.

"Leaders of the two countries will discuss the new international order after the Gulf war, bolster the traditional partnership and eventually swing open a way to peaceful unification of Korea," ruling Democratic Liberal Party spokesman Pak Hui-tae said in a statement released on Saturday.

"The invitation was the uppermost praise and treatment shown by an ally to President No's persistent march to democracy," he said.

New Democratic Party [NDP] spokesman Pak Sang-chon said people were anxious that the Americans might win trade concessions such as opening the rice market.

"We expect no rash concessions on rice market liberalization and other trade issues," he said.

The NDP was looking forward to intimate policy adjustments on admission to the United Nations, international inspection of North Korean nuclear facilities and rapprochement between Pyongyang and Washington, he said.

Splinter Democratic Party spokeman Sin Hyun-ki said, "Worries are epidemic lest trade negotiations end up with our government's surrender."

Minjung Party spokesman Yi Sok-won said his party expected No's visit to mark the starting point of Korea's self-reliant diplomacy.

"Our party wants to see the government shake off U.S. pressure for market liberalization," Yi said.

Trade Issues To Be 'Glazed Over'

SK2906031191 Seoul YONHAP in English 0103 GMT 29 Jun 91

[Text] Seoul, June 29 (OANA-YONHAP)—Trade issues are unlikely to be highlighted at Tuesday's Seoul-Washington summit and the Uruguay Round will be glazed over, trade officials here said Saturday.

Summit coordination teams did not set a specific agenda for trade matters other than broad discussion of cooperation in multilateral negotiations such as the Uruguay Round, according to officials at the Trade and Industry Ministry.

Korea has prepared some explanatory notes on the agricultural sector of the Uruguay Round, such as internal subsidies, and on inter-Korean trade activities, they said.

President No Tae-u leaves for San Francisco on Saturday afternoon and begins his state visit to Washington on Monday. His entourage includes Trade and Industry Minister Yi Pong-so.

"Bilateral trade issues, I believe, will not be discussed at the summit," Yi said. "They are, however, included in the agenda and the two sides will most likely agree on cooperative measures at multilateral negotiations."

A high-level Washington official, commenting on No's visit, said Thursday that trade would be one of the top priorities at the summit.

Yi said the dates for meetings of trade ministers and business leaders of the two sides had not yet been set.

No Answers Questions at Stanford

SK3006050291 Seoul KBS-1 Television Network in Korean 2243 GMT 29 Jun 91

[Question-and-answer session by ROK President No Tae-u at a luncheon at Hoover Institution at Stanford University in Palo Alto—recorded; No Tae-u answers questions in Korean, followed by English translation; former U.S. Secretary of State George Schultz asks questions in English, followed by Korean translation]

[Text] [George Schultz] President, thank you for that important address. The president sent word before he arrived that he would be willing to answer a question or two. So, I scouted around among my colleagues, and I dug up a few questions for you. [laughter from the audience] You never know what a Stanford or Hoover scholar was likely to ask. Here is what somebody says: The recent demonstrations in Korea do not seem to have wide support, but Korean students are alienated about something. What is the problem and what can be done about it? [laughter from the audience] And, then, we can ask (Jim Gaither) about the Stanford students.

[No Tae-u] You must know one thing about the demonstrations by Korean students. When Japan was occupying us, patriotic fighters and students struggled against the occupation. Those patriotic fighters are all dead; those students are still living. Even after the country was liberated and after our own government was founded, the tradition of the student movement has continued. In the 1960's, the students started the 19 April democratization movement against authoritarian or dictatorial rule. As a result, ROK students have come to take pride in playing leading roles in the democratization movement, and existing generations have recognized it, saying they are our good sons and daughters. I think you must know this background.

As you know, a unique environment is prevailing in which North and South Korea are confronting each other. North Korea have resorted to all means and ways to inspire our students to overthrow our government. This is a problem.

It is clear that people were opposed to the dictatorship, long-term power, and authoritarianism of the past and that students were the first to protest them. At that time, people could not differentiate students who were demonstrating just for democracy from communist forces who were trying to overthrow the establishment, but unconditionally expressed their sympathy with the student demonstrations.

Such a situation has changed since the 29 June declaration. It has become very clear since then who are communist forces, who are radical communist forces who use violence, and who are democratic forces.

The people gave a serious warning to those students, whose number, however, was small and who staged violent demonstrations this spring. They have come to believe that if demonstrations spread, the free democratic system will be endangered. As a result, an absolute majority of our people voted for the ruling party in the recent elections, thus silencing the student forces.

I think that as was in Japan and other advanced countries, the number of student activists will gradually decrease. However, I worry that the smaller the number will become, the more radical and violent the students will be. Still, I think that they will disappear.

I think that from watching TV, some of you may think that Korea may collapse as a result of student demonstrations. Because the students you see on TV may account for a mere 10,000th of all of the students, I think, you have no reason to worry about them.

[Schultz] Thank you. How real is the danger that North Korea might acquire nuclear weapons?

[No Tae-u] Not only our country but also the international community in general is worried about this issue. As a result of international requests and pressures, in June, North Korea expressed its intention of subscribing to the nuclear safeguards accord. We are carefully watching it.

I think that it is very desirable that preconditions for improving Japanese-North Korean relations and U.S.-North Korean relations are the removal of the danger of nuclear weapons. I know that the Soviet Union and China, too, sharing the same view with us, have taken precautions against such a danger. I think it desirable, too.

It has become common knowledge not only in our Northeast Asia but also the world that North Korea is a country of a very provocative nature. If North Korea develops nuclear weapons under these circumstances, this will be very, very dangerous. Therefore, we must prevent this by any diplomatic means. Also, let us hope that North Korea will not only subscribe to the nuclear safeguards accord but also receive nuclear inspection in reality.

[Schultz] Thank you, Mr. President. I feel somewhat reassured, but I am still uneasy about that question. We should take care of those people to the North.

No Optimistic About Democracy

SK0207025691 Seoul YONHAP in English 0039 GMT 2 Jul 91

[Text] Washington, July 1 (YONHAP)—South Korean President No Tae-u said Monday democracy in his country was making steady gains and predicted that South and North Korea would be reunited by the end of the century.

"Our democracy is on the right track and there will be no going back. I'm confident that we can realize a prosperous, democratic, reunified nation within this century," No told Korean residents in a reception at the Omni Shoreham Hotel.

No said the tremendous victory of his Democratic Liberal Party in local elections June 20, garnering 564 of the 866 seats on city and provincial councils, showed "how solid the national consensus is for democratic stability and reform based on stability."

He said he had come to Washington to discuss how South Korea and the United States would jointly cope with the new world order emerging from the cold war, particularly joint efforts to advance peace and reunification on the Korean peninsula.

"The Korean peninsula, a land of division and cold war, has begun to move toward reunification. My discussions with Soviet President Gorbachev in San Francisco heralded shifts in the earth's crust that are breaking the ice of the cold war on the Korean peninsula," he said.

No and Gorbachev met in San Francisco on June 4, 1990, and the two countries established diplomatic relations on Sept. 30 that year.

No said North Korea was coming out of isolation as a result of the dramatic changes in the outside world.

"The world has changed enormously and North Korea can no longer remain locked out in extreme isolation. North Korea will change and has already begun to change. North Korea has made a complete turnaround and decided to join the United Nations in September alongside us.

"Now the way to Pyongyang will open too. The day will come when all 70 million of our people live in one nation. I believe that day will come in 10 years at the latest, and within this century," No said.

He said the frequent Seoul-Washington summits testified to the close ties between the two allies.

"This is my fourth visit to the United States as the president of Korea. I'm having my fourth summit talks with President Bush. These frequent summits signify that the relations between our two countries are closer and far better than at any other time," No said.

North 'Ignoring' South UN Entry Talks Proposal

SK2806021891 Seoul YONHAP in English 0144 GMT 28 Jun 91

[Text] United Nations, June 27 (OANA-YONHAP)—North Korea is steadfastly ignoring a South Korean proposal for talks to discuss simultaneous application for U.N. membership, No Chang-hui, head of South Korea's U.N. observer mission, said Thursday.

"In private gatherings, I proposed to the ambassador (North Korean U.N. observer mission head Pak Kil-yon) and working-level officials of North Korea that Pak and I meet to discuss application procedures, but I have yet to hear from them. It is my impression that the North is very passive to my propsal," No said.

No said he would wait until the end of July because the application is due in early August.

Applying separately was inevitable if the North refused to talk, No said, but added that he would wait because he believed simultaneous application was desirable.

Yonhap has learned that the North will apply in German style, separately from the South, but wants both applications adopted in a single resolution by the U.N. General Assembly.

Seoul To Ask UN To Employ More Koreans

SK2806075791 Seoul YONHAP in English 0645 GMT 28 Jun 91

[Text] Seoul, June 28 (YONHAP)—South Korea will make strenuous efforts to get U.N. organizations to hire more Koreans after its entry into the world body this fall, Foreign Minister Yi Sang-ok said Friday. "My ministry will draw up a plan for Koreans with expertise to work in the Secratariat and other organizations of the United Nations as the world body will become a major forum for our diplomactic activities," Yi told a meeting of Ministry officials. He would make a list of over 100 Korean experts and launch diplomatic efforts to get them hired, Yi said. More than 200 Koreans already work in 37 U.N. organizations.

North Educator: Kim Chong-il 'Great Leader'

SK0207092691 Seoul YONHAP in English 0909 GMT 2 Jul 91

[Text] Seoul, July 2 (YONHAP)—Kim Chong-il, 49, first son and heir-apparent of North Korean leader Kim Il-song, appears to have been upgraded from "Great Leader (Chidoja)" to "Great Leader (Suryong)", a title hitherto the sole property of his father.

This shows his growing prominence in the Politburo and marks another step toward the first dynastic succession in communist history, said NAEWOE PRESS, South Korea's official watcher of North Korean affairs, Tuesday.

"We keep Kim Chong-il at heart as the Suryong to accomplish the Chuche (self-reliance) idea and follow and trust only him in good times and in bad times with our mind remaining unchanged," Kim Kuk-hun, president of the People's Economic College, said Monday, according to the NAEWOE report quoting Pyongyang's Korean Central News Agency.

Kim was speaking at a ceremony to celebrate the 45th anniversary of his college at the People's Palace of Culture in Pyongyang.

The junior Kim earned the appellate "leader" in February 1985 and his changing titles are identified with his growing clout in the Workers' (Communist) Party.

He was named "Dear Leader" in 1973, "Parent of the People" in November 1989 and "Great Leader" (Chidoja) in February 1990.

Allowing Students To Visit North Considered

SK2906041791 Seoul YONHAP in English 0214 GMT 29 Jun 91

[Text] Seoul, June 29 (OANA-YONHAP)—South Korea is weighing a plan to promote exchanges of students with North Korea and joint activities in non-political fields, and to pay for it all out of the state coffer.

Even as this eye-opening change of attitude is being mulled, two members of the National Council of Student Representatives, or Chondaehyup, are in Berlin for an unauthorized meeting with their North Korean counterparts and may visit Pyongyang.

With a view to propelling academic discussions and a march the length of the peninsula by students in the near future, the government is gathering student opinions and will discuss it with North Korea in meetings of the South-North education authorities.

President No Tae-u told 30 university presidents in a meeting June 18 that his government would gradually allow students to visit North Korea.

"In a South-North education authority meeting July 15, 1988, our government proposed discussing inter-Korean exchanges of students in detail, but it was not materialized due to silent denial on the North Korean side," a government source said.

"However, there is no change in the government's basic policy of propelling the matter on the basis of South-North personnel exchanges," said the source, asking not to be identified.

"Despite Chondaehyup's dispatching two representatives to Berlin to visit North Korea, the government will positively support visits to the North by students whether they belong to the activist group or not, if the purpose of their visit is pure and non-political," he said.

"As far as North Korea responds positively, the government plans could be put into practice at any moment," he added.

As for financing the plan, the government considers tapping the South-North cooperation fund.

Alliance Confirms Two South Students in Berlin

SK2906033091 Seoul YONHAP in English 0130 GMT 29 Jun 91

[Text] Berlin, June 29 (YONHAP)—The Berlin-based overseas secretariat of the Pan-National Alliance for Reunification of the Fatherland confirmed the presence in Berlin of two South Korean students Friday.

The secretariat had received a letter from Kim Chong-sik, the chairman of Chondaehyop (the National Alliance of Student Representatives), asking it to help the two, a secretariat spokesman said.

The radical group announced Thursday that it had sent Song Yong-song, 22, a Konkuk University senior, and Pak Song-hi, 21, a Kyonghui University senior, to Berlin on Monday to take part in a preparatory conference for the pan-national meeting of South and North Korean students and ethnic Korean students abroad.

The group said they would visit Pyongyang in July for an international conference on nuclear affairs, and join a walk from Mt. Paektu to the truce village of Panmunjom.

The spokesman refused to reveal the whereabouts of the students.

On Friday, a South Korean intelligence agency said it would ask Germany to help locate the pair.

The spokesman said the students would attend the conference on Saturday and Sunday as observers, not representatives.

Chon Kum-chol, vice chairman of Pyongyang's Committee for Peaceful Reunification of the Fatherland, is expected to be present, he said. The Seoul representatives are the Rev. Kang Hui-nam and Han Chol-su, a member of Chondaehyop.

Southern Members of Unified Soccer Team Return

SK2906095591 Seoul YONHAP in English 0506 GMT 29 Jun 91

[Text] Seoul, June 29 (OANA-YONHAP)—Southern members of the joint Korean team that played in the world youth football championship in Portugal arrived home from Pyongyang Saturday via the truce village of Panmunjom.

It was only the second joint Korean team. The first took part in the world table tennis championships in Japan in April.

The team was formally disbanded in a ceremony Friday.

According to Pyongyang radio, Kim Yu-sun, president of the North Korean Olympic Committee, said in the ceremony that joint participation in the world championship was a source of great pride and would decorate the history of unification.

Kim said South and North Korea would make efforts to advance unification through further joint participation in sports.

Chang Chong-sik, head of the South Korean delegation, expressed deep gratitude to the 70 million Korean people for their support of the single team, the North Korean radio said.

The South and North Koreans arrived at Pyongyang's Sunan Airport Friday to an enthusiastic welcome from North Korean citizens.

The Koreans surprised the world by defeating Argentina and drawing with Ireland to qualify for the quarter finals, where they were knocked out 5-1 by Brazil.

Soccer Team Head: North Wants Sports Talks

SK2906101391 Seoul YONHAP in English 0836 GMT 29 Jun 91

[Text] Panmunjom, Korea, June 29 (YONHAP)—North Korea wants to hold sports ministers' talks with South Korea in July or August, Chang Chong-sik, leader of a unified Korean soccer team, said here Saturday.

Returning to Seoul through this truce village after a stopover in Pyongyang from the sixth world youth soccer championship in Lisbon, Chang told reporters that Kim Yu-sun, chairman of the North Korean State Physical Culture and Sports Guidance Committee, expressed the hope for a sports ministers' talks during a farewell dinner he gave for the unified soccer team in Pyongyang Friday.

"Kim said the sports ministers talks could discuss how to make the best of the experiences from the dispatch of single Korean teams to the soccer event as well as the world table tennis championships in Japan last April," Chang said.

South Korea has earlier proposed to hold the stalled inter-Korean sports talks in July. Chang is the chief South Korean delegate to the talks.

If resumed, the sports talks may delve into matters concerning fielding a single Korean team to the 1992 Summer Olympics in Barcelona and other international sports meets, and holding inter-Korean soccer matches on a regular basis, South Korean officials said.

South and North Korea sent a 62-member joint delegation to the world youth soccer championships still under way in Lisbon. The Korean team lost to Brazil 5-1 in the quarterfinals last Sunday. Thirty-three South Korean members of the delegation returned to Seoul Saturday afternoon.

Koreans' Evacuation in Yugoslav Republics Ordered

SK2806031391 Seoul YONHAP in English 0301 GMT 28 Jun 91

[Text] Seoul, June 28 (YONHAP)—The government has ordered the South Korean Embassy in Yugoslavia to evacuate the 28 Koreans living in the Republics of Croatia and Slovenia as war is feared to break out following their independence declarations Tuesday.

The Foreign Ministry said there are 17 company officials and dependents in Croatia and 11 in Slovenia.

Official: No Russian Representation in Seoul

SK2906113091 Seoul CHUNGANG ILBO in Korean 25 Jun 91 p2

[Text] It was learned on 25 June that the government has decided not to allow the Russian Soviet Federated Socialist Republic to set up representatives in Seoul even though it has asked Korea to allow it to do so.

A government official said: "As long as our government has diplomatic relations with the central government, it is not desirable for us to establish separate diplomatic relations with a Republic, a part of the USSR. Accordingly, it is the position of our government that relations with the Republics will be promoted only within the realm of relations with the central government."

Seoul Doubtful About Observing Soviet Exercise

SK2906082791 Seoul THE KOREA HERALD in English 29 Jun 91 p 2

[Text] The government will likely turn down the proposal by the Soviet Union to observe its naval maneuvers in the Sea of Japan in August, a senior Foreign Ministry official said yesterday.

The South Korean government, along with the United States, Japan and some other Asia-Pacific countries, had been invited by the Soviets to observe their naval exercise scheduled for Aug. 14-16.

The official said interministerial consultations are still under way on whether to accept the invitation, but most officials thought that the time was not right to develop ties with the Soviets in the military field.

"We need to handle the matter carefully, considering the strategic environment in the Far East and the Seoul-Washington security arrangement," a ministry spokesman said last week while announcing the Soviet invitation.

Korea and the Soviet Union set up diplomatic relations in September last year after four decades of antagonism.

Japan has already rejected the Soviet proposal.

Violation of Soviet Territorial Waters Denied

SK0107014991 Seoul YONHAP in English 0036 GMT 1 Jul 91

[Text] Seoul, July 1 (YONHAP)—The Fisheries Administration has asked the Foreign Ministry for information on the seizure of a South Korean fishing boat by the Soviet Union on Sunday and says the Kumgang Two did not violate Soviet territorial waters.

Captain Kim Kil-chong told a radio station on the east coast that the 58-ton stingray boat was captured at 39°47" north and 133°41" east, slightly outside the Soviet Union's 200-mile economic zone, the Administration said.

It asked the Foreign Ministry to make efforts for an early return of the vessel and its eight crew members.

A Soviet patrol boat stopped the Kumgang Two at 6 A.M. Sunday and ordered it to sail northward, the captain reported.

Soviet Embassy Asked To Aid in Release of Boat

SK0107070491 Seoul YONHAP in English 0610 GMT 1 Jul 91

[Text] Seoul, July 1 (YONHAP)—The Foreign Ministry instructed the South Korean Embassy in Moscow Monday to make every effort to obtain the early release of the No. 2 Kumgwang-ho and its eight-man crew, seized by the Soviet Union on Saturday.

The Ministry asked the Soviet Embassy in Seoul to cooperate in winning the release of the boat and crew, saying the fishing boat was in international waters when it was towed away.

The 58-ton stingray boat was captured by a Soviet patrol boat in international seas 204 miles off the South Korean Island of Ullung-do at around noon Saturday, the Ministry said, quoting a radio message sent by Captain Kim Kil-chong at 6:30 A.M. Sunday.

Consortium To Develop Metal Mine in USSR

SK2906084091 Seoul THE KOREA TIMES in English 29 Jun 91 p 8

[Text] A consortium of Korean companies will take part in the development of the Prouvou Urmi metal mine in Khabarovsk in the Soviet Far East, the Energy-Resources Ministry said yesterday.

Hyundai Resources Development Co., which made an on-the-spot survey of the mine along with the state-run Korea Mining Promotion Corp. during May 17-June 8, has reached a tentative agreement on a 50-50 joint venture with the Soviet Union, ministry officials said.

The accord envisages that a business plan for the joint development project would be mapped out within three months on a hard currency basis under the principle of the capitalistic market economy.

The Prouvou Urmi metal mine is viewed as being highly economical in terms of proven reserves, metals quality and developing conditions, the ministry said.

"But there still remain a lot of hurdles before Korea's participation is determined as the Soviet Union's management method and accounting systems are much different from those of Korea," a ministry official said.

According to the survey conducted by the Korean fact-finding team, abundant reserves of metals such as tin, copper, tungsten and zinc are buried in the Prouvou Urmi mine.

Taking into account the current prices of tin and other metals, the development of the mine is viewed as proper, the ministry said. Infrastructures are also excellent but the weather conditions are a problem.

Under the present Soviet development plan, approximately 700,000 tons of mineral compounds would be produced annually with tin output reaching more than 3,000 tons.

"But the Soviet development plan needs to be revised, reflecting the costs of facility investment and production," the ministry said. A group of Korean technicians is due to review the plan to evaluate its economic value.

Among the Korean companies which are to join the consortium, in addition to Hyundai, are Samsung, Daewoo, Lucky-Goldstar and Samwhan. The government is planning to urge Youngpoong and Korea Tungsten Mining Co. specializing in the development of metal mines to join the consortium in consideration of their technical know-how.

But the Energy-Resources Ministry has yet to decide on participating in the joint development of the Urgal coal mine, also in the Soviet Far East, since the thermal efficiency of the coal is substandard.

The ministry plans to decide on Korea's participation after 1993, when the Soviet Union draws up a business plan for the project.

Direct Sea Route With USSR To Open 10 Jul

SK2906095391 Seoul YONHAP in English 0502 GMT 29 Jun 91

[Text] Seoul, June 29 (YONHAP)—The Korea-Soviet Shipping Co. will open a direct freight service between the South Korean port of Pusan and Soviet Far Eastern port of Vostochnyy on July 10, a company spokesman said Saturday.

The firm, a joint venture between Hyundai Merchant Marine Co. and Chunkyung Shipping Co., will put a 420-TEU (twenty-foot equivalent unit) container vessel on the route, he said.

"The ship, registered in Cyprus, will put in at Pusan port by July 7 and depart for Vostochnyy on July 10," he said.

A day earlier, the Soviet Far Eastern Shipping Co. (FESCO) will put a 320-TEU container ship on the line, he said.

"The boat will leave Vostochnyy for Pusan on July 9," he said.

Both services will have one sailing a week.

Navix line, a Japanese-Soviet joint venture, currently has the only service on the route with a 500-TEU vessel sailing weekly.

Seoul and Moscow agreed in principle on the direct service in March 1989.

Meanwhile, Korean and Soviet negotiators agreed in May that Trans Orient Shipping Co. will be the agent in Korea for Korea-Soviet shipping. Trans Orient is a 51-49 joint venture between Wushin International Transport Co. and VVO Sovfracht, a Soviet state-run agent representing 16 shipping firms.

New Textbooks Reportedly May 'Alarm' Neighbors

SK0107072591 Seoul YONHAP in English 0249 GMT 1 Jul 91

[Text] Tokyo, July 1 (OANA-YONHAP)—Japan's neighbors are certain to be alarmed by the return to elementary school textbooks of lessons on the flag and national anthem, two symbols carefully kept under wraps to tone down Japan's militaristic history of warfare and colonization.

The Japanese Education Ministry, announcing interim evaluation of elementary school textbooks that will be distributed from next March, said Sunday that some of the publishers had "insufficient" information on the flag and anthem and strongly urged revisions.

Revisions to the books, the first in 12 years, reportedly include extensive sections on the "Hinomaru" and "Kimikayo."

Seven of the eight publishers of sixth-grade textbooks were urged to add more information on these two national symbols, an uncommonly strict recommendation, according to observers here.

The new textbooks also introduce 42 historic figures, most notably Heihachiro Togo, the naval commander who during the Russo-Japanese War (1904-1905) destroyed the Soviet Union's Baltic Fleet, leading to Japan's victory.

The appearance of Togo, a symbol of Japan's former military power, may well alarm Korea and China, which were attacked by Japan.

Japan held Korea as a colony for 35 years before the end of World War II, and Tokyo's plans to dispatch its Self-Defense Forces abroad are causing uncomfortable speculation that Japan is trying to rebuild its military.

The Ministry, in directions for schoolteachers, says the new texts should focus on "fostering Japanese in the international society of the 21st century."

The directions specifically say school children should be taught to revere their flag and anthem.

Hinomaru and Kimikayo were voluntarily shunned after World War II, when international criticism of Japan was at its height. Swallowing defeat and the end of its Asian empire, Japan after the war refrained from flying its flag at schools or singing the national anthem, which is basically a tribute to the emperor.

Flag flying and anthem singing were somewhat revived recently, but have not been extensively dealt with in textbooks until now.

Antigovernment Rally Held in Outskirts of Seoul

SK2906103091 Seoul YONHAP in English 1007 GMT 29 Jun 91

[Text] Seoul, June 29 (YONHAP)—Dissidents and student activists gathered on a Seoul campus Saturday afternoon to mar the fourth anniversary of President No Tae-u's "June 29 reform " and decided to create an organization to fight against "any attempts to prolong No's rule."

The rally was originally scheduled to be held at Pagoda Park in downtown Seoul but police blockade forced it to move to Konkuk University in the eastern outskirts. Over 18,000 conscripted combat police were mobilized across the capital to prevent the anti-government gathering from the city center.

During the meeting held minutes after No took off for a North American tour, the participants argued they would make every effort to break up the Agency for National Security Planning and other "tools of suppressing the people," to abolish the National Security Law and other "evil laws," and to put an end to the government's oppression of labor movement.

It was the sixth anti-government rally organized by a loosely-knit grouping of 55 dissident bodies formed after the police clubbing death of a collegian demonstrator in Seoul on April 26. The rally drew less participants than the previous ones, as many colleges and universities had already gone into summer recess.

Meanwhile, Su Chon-sik, chairman of the Human Rights Committee of Chonminnyon or the National Alliance for Democratic Movement, and three other dissident leaders surrendered to the police, ending a 43-day sit-in protest at Myongdong Cathedral in the heart of Seoul.

Meeting reporters at the Catholic church on their way to surrender, the four said they were going to the police, wrapping up the anti-government struggle for the first half of this year with Saturday's rally.

"We will make clear the righteousness of our demand for democratization in court. We hope Myongdong Cathedral will be kept and respected as a sanctuary of democratization. We appreciate what the cathedral has done for us," Su said.

On Monday, two other key dissident leaders, Han Sang-yol and Yi Su-ho, were put under arrest as they left the cathedral on an ambulance the church officials called in to end their dozen-day hunger strike.

DLP Chapters in North Cholla Province Resign

SK3006010591 Seoul THE KOREA HERALD in English 30 Jun 91 p 2

[Text] Heads of the ruling Democratic Liberal Party's [DLP] 14 district chapters in Chollapukto yesterday decided to tender resignations, holding themselves accountable for the party's devastating defeat in the June 20 local polls in the Cholla region.

Cho Nam-cho, chairman of the DLP's Iksan district chapter, will soon deliver the letters of resignation to the party headquarters in Yoido, Seoul, party sources said.

In a statement following their decision to quit their posts, the district chapter chiefs said, "We humbly accept the results of the local elections. And we agree that the ruling party's dominance in the elections in certain areas poses a serious problem. But the more serious problem comes from the opposition party's dominance in the Cholla region."

In the municipal and provincial elections, the ruling party won only one council seat in the Cholla provinces, the stronghold of opposition leader Kim Tae-chung.

The district chapter chiefs denounced Kim for fanning regional animosity to promote his political gains. "Kim should repent for that," they said.

They contended that Kim has done almost nothing to ease localism and help develop the Cholla region.

In a similar move, chiefs of the ruling party's district chapters in Kwangju and adjacent South Cholla province got together Wednesday. Some of them reportedly proposed an en masse resignation of their chairmanships, taking responsibility for the party's poor performance in the local elections in Cholla areas.

They also called for the adoption of a multiple-seat constituency system to mitigate provincialism.

Compared to the current format under which only one legislator is picked from each constituency, three to nine lawmakers would be elected from each district under the multiple-seat electoral format.

DLP Hopes To Hold Elections Next Jan, Feb

SK3006012791 Seoul THE KOREA HERALD in English 30 Jun 91 p 2

[Text] The ruling Democratic Liberal Party [DLP] intends to hold the next parliamentary elections either in January or February next year, a senior party official said yesterday.

Opposition leader Kim Tae-chung Friday said he personally favors the holding of the elections in April next year.

Under the law, the legislative elections can be held between Dec. 30, 1991 and May 8, 1992. The four-year term of the incumbent National Assembly ends May 29, 1992.

Kim Yun-hwan, the government party's secretary-general, told reporters that the parliamentary elections would be followed by elections of local administrative chiefs in small and medium-sized cities, counties and wards in six big cities in April next year, and mayoral and gubernatorial elections in the six big cities and nine provinces in June.

Under a bipartisan agreement struck in December last year, two rounds of elections of local administrative chiefs are to take place in the first half of next year.

But some officials at the presidential office and the ruling party have reportedly called for the postponement of the local polls until after the end of President No Tae-u's single five-year term in February 1993, asserting that it is "premature" for the people to pick local administrative chiefs through direct voting.

Two rounds of local assembly elections were held on March 26 and June 20, reviving local autonomy for the first time in 30 years. Local self-government was suspended by the 1961 military coup.

Kim Yun-hwan said it is inevitable that the parliamentary elections will be held early next year because the nation has to hold two rounds of elections of local administrative chiefs in the first half.

The ruling party is considering holding the next presidential elections in December 1992, party sources said.

'Two Kims' Agree 1 Jul To Make Joint Efforts

SK0107090891 Seoul YONHAP in English 0828 GMT 1 Jul 91

[Text] Kwangju, South Korea, July 1 (YONHAP)—Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party [DLP], and Kim Tae-chung, president of the major opposition New Democratic Party [NDP], agreed here Monday that they will make joint efforts to solve socio-economic problems such as inflation and intense inter-provincial antagonism.

During an hour-long tete-a-tete, the two Kims also agreed to combine their efforts to make sure that all elections are clean and fair, that the political fund law is revised to ensure fair distribution of political contributions and that the National Assembly operates smoothly on the basis of cooperation between the ruling and opposition parties, DLP and NDP spokesmen said.

They did not say whether the leaders discussed the politically sensitive issue of changing the form of government, but it is believed that they agreed to continue to oppose a switch to a Westminster-style cabinet system.

The two Kims arrived here aboard separate planes but at the same time on Monday morning and attended a prayer meeting co-sponsored by clergymen from the rival Cholla and Kyongsang Provinces. Kim Tae-chung's power base is the Kwangju and Cholla Provinces, while Pusan, Taegu and the Kyongsang Provinces are DLP strongholds.

During the meeting, the two also agreed that their parties should set dates for the general, presidential and gubernatorial elections through inter-party negotiations.

Shortly after his arrival, Kim Yong-sam laid a wreath at the Mangwol-tong Cemetery for victims of the May 18 civil uprising in 1980. Kim Tae-chung met with journalists and members of the Kwangju City Council before attending the prayer meeting.

Kim Yong-sam told the prayer meeting that clerics and politicians should apply reconciliation and love to build the basis for reunification of the nation.

The DLP's Kim will return to Seoul on Tuesday, after a dinner with DLP district chapter leaders in Kwangju and the Cholla Provinces.

The NDP's Kim was to leave for Seoul on Monday, after visiting the Mangwol-tong Cemetery in the afternoon.

Seoul Plans To Liberalize Foreign Investment

SK0107092691 Seoul YONHAP in English 0858 GMT 1 Jul 91

[Text] Seoul, July 1 (OANA-YONHAP)—The government will drastically liberalize foreign investment during the Seventh Five-Year Socio-Economic Development Plan (1992-96), allowing foreigners to invest in all fields except strategic industries and the public sector and replacing the need for government approval with a reporting system.

Korean nationals will be allowed to invest up to 500,000 U.S. dollars abroad and the government will try to make the Korean won an international currency for settlement and reduce the gap between import prices and retail prices of imported goods, according to a draft of the plan.

The agricultural market will be opened gradually based on the progress of the Uruguay Round multilateral trade talks and the government will take complementary steps such as restructuring the agricultural industry.

It will establish measures to strengthen competitiveness in service industries and expand assistance to developing nations and communist countries.

The draft plan calls for internationalization of the Korean economy, with the basic direction being establishment of an open economy corresponding to the nation's status in international society, and minimization of side-effects in income redistribution caused by internationalization of the economy.

The government will expand advancement into overseas markets, support for developing countries and promotion of economic cooperation with the Soviet Union and China to stabilize the situation in Northeast Asia and create a foundation for reunification.

For internationalization of the financial market, the government will push ahead with the liberalization of bank interest rates in earnest and strengthen the watchdog function of the Bank of Korea and commercial banks.

Financial organizations such as banks and insurance firms will be encouraged to make inroads abroad and import barriers will be removed from monopolistic industries and daily necessities.

Foreign investment in the Korean stock market and Korean investment in foreign stock markets will also be expanded.

The government will open the service market on a step-by-step basis and establish a long-term development plan for the 21st Century.

It will boost efforts to balance trade with the United States and rectify the trade imbalance with Japan, and develop projects for collaboration among South and North Korea, the Soviet Union, China and Japan.

It will increase assistance to developing countries from 0.04 percent of the gross national product to 0.1 percent.

Importing PRC Cement To Ease Shortage Planned

SK0107132091 Seoul YONHAP in English 0917 GMT 1 Jun 91

[Text] Seoul, July 1 (YONHAP)—The Trade and Industry Ministry has set the supply of cement at 23.2 million tons for the second half of the year, 21.7 million tons produced domestically and 1.5 million tons imported.

The Construction Ministry projected domestic demand for cement at 22.1 million tons in the first half, but decided to expand the supply and reduce exports because of the serious shortage in ready-mixed concrete.

The Trade and Industry Ministry will not totally halt exports in order to maintain exchanges between Korean companies and overseas buyers, but will import twice as much cement as is exported.

A ministry official said Monday on condition of anonymity that it will import 1.5 million tons of cement from China in the second half but must take strong measures to restrain the construction boom if demand exceeds supply.

Government Halts Construction of Apartments

SK0207100091 Seoul YONHAP in English 0901 GMT 2 Jul 91

[Text] Seoul, July 2 (YONHAP)—The government and the ruling Democratic Liberal Party [DLP] decided Tuesday to halt all construction of apartments in Seoul's five new satellite cities except those that have already been sold and concluded that a problem with jerry-building was caused by material and labor shortages.

Delays seem inevitable in the plan to sell another 66,000 apartments this year and 92,000 next year.

The government will fix the number of apartments to be put on the market in the next two years and reschedule construction after studying demand, but will eventually build all the dwelling units in the initial plan.

Construction of 2 million housing units is under way in Pundang, Ilsan, Pyongchon, Sanbon and Chungdong to ease a housing shortage and calm soaring prices. The government project was scheduled for 1988 to 1992.

"We agreed that a dire material shortage caused the jerry-building," Na Ung-pae, DLP policy committee chairman, said after the government-DLP meeting. "We hope there will be no more troubles with the construction."

Construction Boom Seen as Damaging to Economy

SK0207022791 Seoul THE KOREA TIMES in English 2 Jul 91 p 8

[News in review by assistant economic editor Pak Chang-sok]

[Text] Now, the nation is boiling with the public outcry against the jerry-building of apartments in the newly-booming dormitory cities surrounding Seoul. The housing controversy has been focused on the quality of ready-mixed concrete, commonly abbreviated to "remicon," which experts alleged has been made with salty sand. The use of salty sand is generally said to pose a serious risk to the safety because of its chemical eroding of reinforcing iron rods used in apartment building. Some of the apartments now under construction in the so-called five new satellite cities around Seoul have been demolished because of safety problems.

It is fortunate that this shoddy construction was brought to light before flat buyers move in as a possible disaster taking a heavy toll of lives from the collapse of structures has perhaps been prevented. But still of concern is the fact that there has been yet no clear remedial action taken by the government. Deputy Premier Choe Kak-kyu revealed the postponement of contracts for sales of apartments in five new towns. But Construction Minister Yi Chin-sol reversed Choe's remarks one day later, having the people get confused about the government policies.

A crucial cause of the current housing scandal is the reckless implementation of policies, ostensibly aimed at political gains. The construction of 2 million houses is one of the major political pledges which President No Tae-u made during his presidential campaign period four years ago. No's housing plan was to be realized before his term of office ends next year.

It is nonsense to build so many houses in such a period of short time, action rarely seen in foreign countries, even in advanced nations. Two million houses broadly mean a new house for one out of five households in this country when the 40-million population is calculated as grouped into 10-million households.

Hastiness always causes problems and entails accidents. So, it is only natural that ill-effects have been found in the hasty construction.

On top of the physical danger of the sloppily-built structures, the massive construction boom has left a host of unforeseen strains in the economy, which experts agree is proceeding in an extremely unhealthy way, despite its glossy high growth. Shortages of workers and subsequent wage hikes, financial crunches and resultant high interest rates, real estate speculation, shortages of raw materials, congestion of cargo at ports, stagnation in manufacturing, and traffic congestion. The problems do not end here. The overheated construction boom has intensified inflationary pressure, put the local bourse in the doldrums, and prompted the growth of imports—a major factor which has contributed much to expanding the trade deficit.

At a glance, it seems that all available economic resources such as manpower, funds, and equipment have been poured into only one hole, construction sites. Experts fear that the national economy could take a deformative shape and fall under the sway of construction if the gigantic housing project continues to be pushed at the current pace. More than 25 percent of the country's gross national product (GNP) is being poured into the construction of 2 million houses. Economists do not rule out the likelihood of the new town building boom becoming a black hole swallowing manpower and funds. They criticize the construction fever as the prime culprit causing all the economic ills.

All are problems. But the most serious risk facing the country is the shortage of manpower which has helped jack up construction workers' wages to a ridiculous level. Construction workers' wages have skyrocketed two or three times in less than two years with the daily wages of skilled workers surging to 100,000 won—a payment guaranteeing them a monthly income of 3 million won (4,200 U.S. dollars). The wages are exorbitantly high, compared with those of foreign workers. The windfalls at construction sites have served as a catalyst to entice workers in manufacturing into the construction sites—a phenomenon causing the hollowness of manufacturing industry.

Another factor which has fomented the wild construction boom was the implementation of the so-called land excessive profit tax that has goaded land owners into building houses or commercial buildings in order to avoid hefty taxes imposed on idle land.

To put it simply, the distorted economy, caused by housing projects, is one of the by-products of the No administration's visionary policy aimed at currying favor with the people. It is a general practice that no elected leader in the world can translate into action all the pledges he spits out during the campaign period.

Urban Consumer Prices Up for First Half of 1991

SK3006013491 Seoul THE KOREA HERALD in English 30 Jun 91 p 6

[Text] Consumer prices in urban areas edged up 0.5 percent in June to bring the inflation rate during the first six months of the year to 6.5 percent, the National Statistical Office said yesterday.

Wholesale prices also edged up 0.1 percent to 1.2 percent during the January-June period.

The figures are compared with 7.4 percent and 3.3 percent for consumer and wholesale prices, respectively, recorded during the first half of last year.

Consumer prices soared 2.1 percent in January, 1.4 percent in February and 1.3 percent in March before slowing to 0.5 percent in April and 0.6 percent in May.

"As consumer prices are maintaining their stable rise for a third consecutive month, the Korean economy is expected to keep this year's inflation rate, measured in consumer prices, at around 9.5 percent," one Economic Planning Board official said.

Korea registered a 9.4 percent inflation rate and has newly revised its target for this year upward to 9.5 percent from the original goal of 8-9 percent.

Farming, livestock and fishery products upped 0.6 percent in June, industrial goods 0.5 percent and personal services 1.0 percent with other public charges, petroleum-related goods remaining unchanged.

Watermelons prices soared 38.4 percent, Chinese cabbage 20.3 percent, pork 6.3 percent, hairtails 39.2 percent, cement 6.2 percent and plate glass 6.1 percent, according to the monthly NSO report on Korea's consumer and wholesale movements.

Garlic declined 35.9 percent, potatoes 12.7 percent, fresh pepper 29.4 percent, chicken 9.4 percent, eggs 6.8 percent and clam 8.3 percent in June.

Pusan and Kwangju showed the highest consumer price increase during the first half with 7.9 percent and 7.1 percent, respectively.

Inchon and Suwon marked the lowest increase rates of 5.0 percent and 5.4 percent, respectively, during the same period.

Personal services rose at the highest rate of 13.7 percent in the first half on average, followed by farming, livestock and fishery products with 7.6 percent and public charges with 7.2 percent, all above the first-half average of 6.5 percent.

During the January-June period, tangerines topped the price increase list with 77.3 percent, followed by Alaska pollack (43.5 percent), hairtails (39.2 percent), watermelons (38.4 percent) and housemaids' charges (27.8 percent).

"To attain this year's inflation target, the government will do its utmost in the second half to assure a smooth supply of goods," the board official said.

Burma

'Insurgents' Surrender at Army Camps

1-5 May

BK2706075191 Rangoon Radio Burma in Burmese 1330 GMT 26 Jun 91

[Text] People belonging to various insurgent organizations who have come to realize their wrongdoing have been giving up their armed struggle and surrendering at various army camps with arms and ammunition. Accordingly, the following surrenders took place between 1-5 May 1991:

Northern Military Command: Private Aung Lwin, alias Tha Tha, of the insurgent KIA [Kachin Independence Army] (?3d) Battalion surrendered at Myitkyina Garrison. Pvt Jum Bauk Zan Khaung of the 253d Battalion gave himself up at Waingmaw. Pvt. Nama Phiel Nan Aung of the 11th Battalion surrendered at Myitkyina. Pvts. Tin Pe, Maung Than, and Tin Aung of the 3d Brigade gave themselves up at Na-long Camp.

Southeast Military Command: Pvts. Tin Hlaing Soe, Than Hlaing, Tin Maung Win, Myo Win, Maung Nge, Myo Win, Maung U, Myo Win, and Win Kyaw of the insurgent ABSDF's [All Burma Students' Democratic Front] 201st Battalion surrendered at Mergui. Platoon leader Tin Maung Win and Pvt Than Shein of the 216th Battalion also gave themselves up at Mergui.

Sergeant Nai Tin Aung of the Mon insurgent NMSP's [New Mon State Party] 333d Battalion surrendered with a .38 revolver at Lamaing camp. Deputy Warrant Officer Nai Tin Hla surrendered with a .38 revolver, one AK-47 automatic rifle, and one communications set at Ye. Pvt. Than Tin surrendered at Mergui.

Pvt. Than Win of the insurgent Burma Communist Party's Tenasserim Military Region surrendered with a home-made .30 caliber firearm in Mergui.

Pvts. Mya Soe and Ma Khin Kyi of the insurgent KNU's [Karen National Union] 1st Brigade gave themselves up at Bilin.

Eastern Military Command: Pvt. Khun Win U of the insurgent SURA [Shan United Revolutionary Army] surrendered at Taunggyi Garrison. Platoon leader Naung Min, alias Aik San, and Deputy Platoon Leader Aung Min, alias Aik Mat, of 117th Battalion gave themselves up with one M-16 automatic rifle and one M-22 automatic rifle at (Hti Hkak) camp.

Northeast Military Command: Pvt. Na Htawng Rak Naw of the 2d Company of the insurgent KIA 5th Battalion surrendered at (Kay Waing) camp.

Western Military Command: Pvts. Yupa Aung Nyunt and Tin Aung Than of the insurgent ABSDF surrendered at Laungdwe camp.

These people who have come back to the legal fold after realizing the truth and giving up the armed struggle were warmly welcomed back by the responsible officials of the camps concerned.

6-14 May

BK2806101591 Rangoon Radio Burma in Burmese 1330 GMT 27 Jun 91

[Text] More members of various insurgent organizations who have come to realize their wrongdoing have been giving up their armed struggle and surrendering at various army camps with arms and ammunition. The following surrenders took place between 6 and 14 May 1991:

Southeast Military Command: Private Kyi Soe alias Maung Ni of the ABSDF [All Burma Students Democratic Front] 203d Battalion, Pvts. Tin Win, alias Than Naing, Pan Nwe, Pan Daing, and Win Kywe, from the 201st Battalion, Pvts. Soe Naing and Ko Ko Lat from the 101st Battalion, surrendered at Mergui garrison. Nanda, alias Tin Win, company commander from the 101st Battalion, surrendered with one .14 pistol at Thanbyuzat, while Pvt. Aung Thein Zaw from the 208th Battalion surrendered at Thaton garrison.

Northern Military Command: Pvts. Maung Maung and Tun U from Nawrawa camp of the KIA [Kachin Independence Army] surrendered at (Nudit) garrison, and Pvt. Bauk Naw from the 3d Battalion surrendered at Waingmaw. Pvt. Aye Thaung from the 253d Battalion surrendered at Shwegu garrison; Pvts. Lagyar and Yaw Set from the 5th Battalion surrendered at Mogaung mobile unit; Lance Corporal Zaung Lon from the 11th Battalion surrendered at Myitkyina garrison; Pvts. Khaung Lon from the 252d Battalion surrendered at Myitkyina; and Pvts. Hla Aung and Tu Lon from the 253d Battalion surrendered at Tarlawgyi garrison. Pvts. Gyi Aye, Kai Lin, and Win Pe from the 12th Battalion surrendered at Myothit garrison.

Eastern Military Command: Pvt. Hsin Lian from the SURA [Shan United Revolutionary Army] surrendered with one BA-72 assault rifle and a [words indistinct] launcher at Langhko garrison. Pvt. Maung Htwe from the "Red" Pa-o insurgent organization surrendered at Indaing garrison, and Pvts. Maung Maung Aye alias Min Min and Win Naing from the Karenni insurgent organization surrendered at Taunggyi garrison.

Southern Military Command: Pvt. Myint Soe from the 2d Company of the 7th Battalion of the KNU [Karen National Union] surrendered at Shwekyin garrison, while Pvt. Zaw Myint from the 8th Battalion surrendered at Mongdat garrison.

Those who have come back to the legal fold after realizing the truth and giving up armed struggle were warmly welcomed back by the responsible officials of the camps concerned.

9, 22 Jun

BK2806151191 Rangoon Burma Television Network in Burmese 1330 GMT 28 Jun 91

[Excerpts] People belonging to various insurgent organizations who have come to realize their wrongdoing have been giving up their armed struggle and surrendering at different army camps with arms and ammunition. Accordingly, a company of 13 men led by section commander Thaung Shwe belonging to Saw Po Nyein's Unit, which is under the direct command of the central KNU [Karen National Union] headquarters, surrendered together with eight assorted weapons to the Ye regimental headquarters on 22 June. [passage omitted]

The people who surrendered were villagers from Ye township who went underground. They brought along with them one carbine: 25 rounds of carbine ammunition: one long carbine magazine: two M-16 automatic rifles: 380 rounds of M-16 ammunition: one long M-16 magazine: three short M-16 magazine: four AK-47 automatic rifles: 800 rounds of AK-47 ammunition: 10 long AK-47 magazines: one .22 revolver.

Section commander Thaung Shwe and his men who surrendered said they had operated in the eastern section of Ye townships and in areas along Ye creek under the direct control of the central KNU Headquarters since June 1988. The majority of the section members are Buddhists and they had suffered religious discrimination within the KNU organization. They said they were looked down upon because of their beliefs and have had frequent problems because of differences of opinion. They said they were fed up with killings and robbing their own citizens from different racial groups. Since they no longer wanted to continue the destructive activities of the KNU, they decided to give up the armed struggle and return to the legal fold.

Similarly, a company of 27 men led by company commander Tun Myint belonging to the KNU Saw Po Nyein's Unit surrendered on 9 June at Lamaing regimental headquarters, together with 26 assorted weapons and an (Icon) walkie-talkie. Altogether 40 men from the KNU Saw Po Nyein's Unit have surrendered together with 34 assorted weapons and an (Icon) walkie-talkie.

Those who returned to the legal fold were warmly welcomed back by the authorities concerned.

15-24 May

BK3006080491 Rangoon Burma Television Network in Burmese 1330 GMT 29 Jun 91

[Text] People belonging to various insurgent organizations who have come to realize their wrongdoing have been giving up their armed struggle and surrendering at different army camps with arms and ammunition. Accordingly, the following surrenders took place between 15-24 May 1991:

Northern Military Command: Privates Khin Maung Hla and Myo Sann of the KIA's [Kachin Independence Army] 253rd Battalion surrendered at Myothit camp. Pvts. Htay Win, Myint Thein, Ba Shein, and Hla Sann of the 7th Battalion of the 1st Brigade surrendered together with two M-21 automatic rifles at Thanphe camp. Pvt. Nan Aung of the 12th Battalion surrendered at Mansi camp.

Northeast Military Command: Pvt. Intri Sein Gyun of the KIA's 8th Battalion surrendered at Namtu camp. Pvt. Aik Yi of the 255th Battalion surrendered at Kutkai peoples police station.

Western Military Command: Pvt. Sweyodulla of the ARIS [expansion unknown] insurgent group surrendered with one locally made gun at Maungdaw camp.

Southeast Military Command: Lieutenant Htay Lwin of the KNU's [Karen National Union] 1st Brigade surrendered with one AK-47 automatic rifle at Bilin camp. Pvt. Aung Nyo Min of the Central Security Company surrendered at Ye camp. Pvt. Moe Pwint of the 2nd Battalion surrender with one AK-47 automatic rifle at Kamasaing camp. Pvts. Aye Than, Tin Ko, Toe Lwin, and Lay Kyi of the ABSDF's [All Burma Students' Democratic Front] 203rd Battalion and Pvts. Thein San and Ba Htay of the 201st Battalion surrendered at Mergui camp. Pvts. San Win, Myint Thein, and Aye Tun of the 1st Brigade surrendered at Thaton camp.

Eastern Military Command: Pvt. Yunos of the SUA [Shan United Army] surrendered at Kyethi camp.

Altogether 23 insurgents surrendered between 15 and 24 May and those people who have returned to the legal fold after realizing the truth and giving up the armed struggle were warmly received and welcomed by the responsible officials of the camps concerned.

25-30 May

BK0107092591 Rangoon Radio Burma in Burmese 1330 GMT 30 Jun 91

[Text] People belonging to various insurgent organizations who have come to realize their wrongdoing have been giving up their armed struggle and surrendering at different Army camps with arms and ammunition. Accordingly, the following surrenders took place between 25-30 May 1991:

Northern Military Command: Private Win Aung of the KIA's [Kachin Independence Army] 254th Battalion surrendered at Bhamo camp. Pvts. Yelin Lay and Ar Say of 3rd Battalion surrendered together with one M-21 automatic rifle and BA-63 automatic rifle at Weyan camp.

Southern Military Command: Pvt. Zar Tapho of the KNU's [Karen National Union] Kyaukkyi Township Office surrendered at Peinzalok camp. Pvt. Gyaw Ne Htoo of the Central Headquarters surrendered at Thandaung camp. Pvts. Thaung Tun, Tun Aung, and Tin Win surrendered at Kyaukkyi camp.

Southeast Military Command: Pvt. Thein Aung of the ABSDF's [All Burma Students' Democratic Front] insurgent group, Pvts. Khin Latt of the 201st Battalion, Lieutenant Ba Yee of 203rd Battalion, Pvts. Ko Ko Naing, Soe Myint, Than Lwin, Aung Khin Myo and Pvt. Aung Thein of the NMSP [New Mon State Party] insurgent group surrendered at Mergui camp.

Eastern Military Command: Pvts. Kaw Gye and Kyan Hpa of the SUA [Shan United Army] surrendered with one

M-16 automatic rifle at Mong Hsat camp. Pvts. Aik San and Na Daw of the 23rd Battalion surrendered together with two M-16 automatic rifles at Mong Tawng camp. Pvts. Aik Shwe and Aik Hkam of the SURA [Shan United Revolutionary army] surrendered with two M-16 automatic rifles at Mong Pan camp.

Central Military Command: Pvts. Soe Min Win, Zaw Win Aung, and Tun Tun Win of the ABSDF's 701st Battalion surrendered at Mandalay Southeast Township Law and Order Restoration Council.

Northwest Military Command: Pvt. Thaung Dan of the ABSDF's 701st Battalion surrendered at Monywa camp.

A total of 26 insurgents surrendered between 25 and 30 May. Altogether 107 insurgents have surrendered between 1 and 30 May. Those people who have returned to the legal fold after realizing the truth and giving up the armed struggle were warmly received and welcomed by the responsible officials of the camps concerned.

Source Says 38 Troops Killed in Insurgent Ambush

BK2806154491 Hong Kong AFP in English 1521 GMT 28 Jun 91

[Text] Bangkok, June 28 (AFP)—A Thai border source said Friday that 38 Burmese soldiers have been killed and 62 wounded in an ambush in eastern Burma by ethnic insurgents and anti-Rangoon student units, but a Burmese official has denied it.

The source said the ambush took place last Saturday as about 700 Burmese troops from Rangoon's 44th Infantry Division, based in Kyonedoe, near the Thai border in Karen State, moved north toward Kawmura camp, a stronghold of Karen National Union (KNU) rebels.

The Burmese force, mostly travelling on foot, was ambushed by a 350-strong rebel force made up of Karen, Mon and Kachin ethnic insurgents supported by armed units of the anti-Rangoon All Burma Student Democratic Front, the source said.

The KNU, the New Mon State Party, the Kachin Independent Army and the student group are allied under the anti-Rangoon umbrella rebel organization, the Democratic Alliance of Burma (DAB).

However, Burma's military attache here, Colonel Ba Hein, said he had not heard of the incident and suspected it was propaganda by the insurgents. A Karen source said he could not confirm or deny the report.

The border source, quoting members of the student group's central executive committee, said the DAB force attacked the Burmese column with 60-mm and 61-mm mortars, rocket-propelled grenades and automatic weapons.

Six guerrillas belonging to the 6th Light Battalion of the New Mon State Party were killed and seven DAB guerrillas were wounded by return fire from the Burmese soldiers, the source said.

The ambush occurred in dense jungle some 80 kilometres (50 miles) from the Thai border, the source added.

Thai military and border officials said they had not heard any reports of the incident.

Commission Announces Changes in Parties

BK2806145491 Rangoon Radio Burma in Burmese 1330 GMT 28 Jun 91

[Press Release No. 13/91 of the Commission for Holding Multiparty Democratic General Elections, dated 28 June 1991]

[Text] It is hereby announced that the commission has recorded the following reports from political parties concerned:

1. Myo Than Htut alias Moe Thi Zun [currently chairman of the All Burma Students Democratic Front], who once served as chairman of the Central Executive Committee of the Democratic Party for New Society, has been allowed to resign as a party member as well as the party chairman effective 17 April 1987.

2. Moe Thie Zun, who served as deputy chairman of the Central Executive Committee of the Union of Myanmar Democratic Front as well as chairman of the Democratic Party for New Society, is no longer involved in the affairs of the front.

3. Myo Than Htut alias Moe Thi Zun, who served as chairman of the Central Executive Commitee of the League of Democratic Alliance [LDA], is no longer the chairman of the league effective 17 April 1987. The Democratic Party for New Society which had no contact whatsover with our league since before the multiparty democratic general elections is no longer a member of the league.

4. U Chit Swe has been allowed to resign as deputy chairman of the Union People's Future and Democracy Party; Nai Tun Khin, vice chairman-2, has been appointed as vice chairman-1; U Lu Maung, member of the Central Executive Committee, has been appointed as vice chairman-2.

Brunei, Malaysia & Singapore

Malaysia

Combat Forces Deployed on Joint Thailand Border

BK0207022791 Bangkok BANGKOK POST in English 1 Jul 91 p 1

[Text] Padang Besar—A Malaysian combat force of 60 heavily armed soldiers has been deployed close to no-man's land next to this border town in Songkhla amid concerns the Malaysian Government might shut down its side of the border today.

Border sources said the heavily-armed force from Kuala Lumpur was rushed to the border of Perlis State yesterday morning following claims in Malaysian newspapers that about 30 Thai officials had looted three shops in no-man's land between the borders on Sunday.

The sources said Malaysian authorities might have confused the issue with the seizure by police on Sunday of smuggled goods, including crackers, raisins and potato chips estimated at 30,000 to 40,000 baht.

The seizure of the contraband did not take place in no-man's land, but 100 metres away from the border market, sources said.

However, it was business as usual yesterday despite the standoff on both sides of the border and the possible closure of the Malaysian state border.

Provincial governor Niphon Bunyaphattharo dismissed Malaysian news reports that he had assigned officials to set foot in no-man's land, which both countries have agreed should be regarded as neutral territory.

A Malaysian police chief inspector and the chief of the 60 combat soldiers from Kuala Lumpur discussed the situation with Thai officials here yesterday.

Singapore

Paper on Outcome of Cambodian Talks in Phatthaya

BK0107161791 Singapore THE STRAITS TIMES in English 29 Jun 91 p 32

[Editorial: "No Real Peace Just Yet"]

[Text] Can it possibly be true that peace might be coming at long last for the wretched Cambodian people? Certainly, the four factions in the civil war have surprised all observers by their agreement this week in Phatthaya on an indefinite ceasefire; the cessation of arms supplies from abroad; and on making Phnom Penh the headquarters of the Supreme National Council, the quadripartite body that is supposed to represent Cambodian sovereignty under the United Nations peace plan. It was an enormous step forward considering that the factions had met three times before without any result. And it was only a fortnight ago that the Khmer Rouge, the largest faction in the anti-Phnom Penh coalition, had rejected a similar deal reached between coalition leader Prince Sihanouk, and the Phnom Penh Premier, Mr Hun Sen. Diplomats observing the talks have universally declared themselves amazed and pleased at the progress achieved in the three days of talks and Phnom Penh residents are reported to have literally jumped for joy on hearing the news.

They, like all Cambodians, including the hundreds of thousands living in border camps to flee the fighting, have plenty of reason to yearn for peace. They have not had much of it during the past 21 years. First, it was saturation bombing from American B-52 bombers seeking to destroy Vietcong camps during the Vietnam war. When that ended, it was mass slaughter at the hands of Khmer Rouge fanatics, who managed to wipe out a large part of the population before being driven out by the Vietnamese on Christmas Day, 1978. The invasion, contrary to Vietnamese propaganda, was not for the deliverance of the Cambodian people, but to replace the fiercely independent and anti-Vietnamese Khmer Rouge leadership with a regime willing to do Hanoi's bidding. As such, it heralded not the end of Cambodia's suffering, but the beginning of a civil war that has now gone on for more than 12 years, destroying both the land and its people.

But much as the latest agreement is to be welcomed, it would take an incurable optimist to believe that peace is now at hand. Since Prince Sihanouk met Mr Hun Sen in July 1987 for the first-ever peace talks between the two sides in the war, there have been many seeming breakthroughs which promised to bring an end to the war but which invariably broke down very quickly with peace not an inch nearer. Even if the Phatthaya pact were to hold, the armed truce it promises is an enormously long way from the comprehensive peace plan drawn up last year by the United Nations Security Council's five permanent members. Although the plan was agreed to in principle by all the Cambodian factions, the Khmer Rouge and Phnom Penh are in fundamental disagreement over its details. The Khmer Rouge insists that the plan, which calls for the disarmament of all factions and virtual UN administration of the country pending free and fair elections, must be implemented in full. Phnom Penh, meanwhile, is unwilling to cede sovereignty to a UN force and has rejected disarmament before elections, on grounds that it cannot trust the Khmer Rouge. It has also insisted that any peace agreement must include provisions to prevent the group's return to power.

In spite of reports that the rivals will meet in Beijing next month to try to iron out their differences, there is no real sign yet that either side is ready to yield its position on the plan. Indeed, Phnom Penh, which has succeeded in pushing back coalition forces in recent months, appears confident that it can fend off its enemies without a comprehensive settlement, and that its current diplomatic isolation will end soon as countries tire of the unending dispute and decide to sacrifice principle for the profits to be made by doing business with the regime. A lasting peace will continue to elude Cambodians if the outside world encourages Phnom Penh in that belief. And the Phatthaya agreement will turn out to have been another false dawn. It should not happen.

Cambodia

Hun Sen Message on Phatthaya SNC Meeting

BK0107051191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 28 Jun 91

["Message of Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of State of Cambodia's Council of Ministers, to compatriots"; from Phatthaya; date not given—recorded]

[Text] Greetings to the clergy and beloved compatriots. Today I would like to address compatriots and the clergy from Phatthaya, a resort town in the Kingdom of Thailand and the venue of the Supreme National Council [SNC] meeting that has achieved good results.

I would like to inform the clergy and compatriots that in early June 1991, there was a meeting in Jakarta. It was a meeting between the Paris conference cochairmen and the SNC members. At that time, there was a separate meeting between myself and Samdech Norodom Sihanouk and we agreed on the SNC leadership, the voluntary cease-fire extension, and the end of military aid. However, these points were not implemented because some SNC members disagreed. Shortly afterward, Samdech Norodom Sihanouk decided to take part in the SNC according to the six plus six formula, that is 12 persons, with His Excellency Chau-sen Kosal being dropped. The six members of our State of Cambodia proposed that Samdech Norodom Sihanouk be the convenor and chairman of the meeting and that Phatthaya be the venue of the meeting.

After agreeing on the place and time of the meeting, I and other members—including His Excellency General Tie Banh, His Excellency Hor Namhong, His Excellency Dit Munti, His Excellency Im Chhunlim, and His Excellency General Sin Sen—and other delegates attending the meeting travelled to Bangkok. There, I met separately with Samdech Norodom Sihanouk to discuss the goal and the agenda of the meeting. Afterward, there was a meal organized by Samdech Norodom Sihanouk and Neak Mneang (?as delegate).

Before the meeting, Samdech Norodom Sihanouk issued a new peace plan on 22 June, that is one day before the meeting. In Samdech Norodom Sihanouk's new peace plan a step by step process is proposed; and we agreed with Samdech Sihanouk on a number of basic points. All these points were agreed upon in Phatthaya.

I would like to inform the clergy and compatriots of all the points agreed in Phatthaya, and of those remaining to be discussed. The first point on which we agreed upon was the SNC leadership. I would like to inform the clergy and compatriots that the issue of the SNC leadership— namely the positions of chairman and vice chairman, agreed upon by myself and Samdech Sihanouk in Jakarta—has not yet been resolved because two out of 10 members did not agree.

To avoid a failure of the meeting and to prevent this SNC leadership issue from being an obstacle to solving other urgent problems, our State of Cambodia side, with myself as representative, made a compromise saying that while the chairman and vice chairman problem had not yet been resolved, we proposed that Samdech Norodom Sihanouk be the convenor and chairman of future SNC meetings.

Therefore, I would like to emphasize that the chairman and vice chairman problem is one that has not yet been resolved; it is a pending issue. This being so, the SNC can function by granting Samdech Sihanouk the right to convene and chair future meetings.

It was also agreed that a secretariat, an office of the secretariat, and some working groups be set up. It was agreed that this office be in Phnom Penh. However, I would like to inform compatriots that the Democratic Kampuchea party, or in terms of the SNC, namely His Excellency Khieu Samphan and His Excellency Son Sen, raised four conditions concerning the office in Phnom Penh and meetings to be held there.

This concerns the separate residences for SNC members, the protection of which is to be covered by the members' own guards inside the compound—protection outside the residences being provided by our State of Cambodia's government, that should ensure security for those members. Second, His Excellency Khieu Samphan and His Excellency Son Sen also requested that a permanent mission of the United Nations be attached to the SNC in Phnom Penh. Third, they requested that the five permanent members of the Security Council have offices in Phnom Penh; and fourth, ASEAN countries and member countries of the Paris conference are to have representatives or diplomatic missions there. We have agreed to these conditions to ensure that everything proceeds smoothly.

In the immediate future, due to the concerns of some members, although the office has been officially opened and meetings are to be held in Phnom Penh, it was agreed that meetings will also be held in the Cambodian Embassy in Bangkok. This is a temporary measure while waiting for better conditions for meetings to be held in Phnom Penh. This was the agreement relating to the SNC work, including the opening of an office, issues relating to the secretariat, and working groups to be set up to discuss remaining issues. There could be one to three of these working groups whose primary task would be to discuss the internal regulations of the SNC, election laws, and the draft constitution and rights of Cambodia.

Also in connection with the SNC—that cannot use the flag and anthem of a particular party or government—it was agreed that a common flag would be used which has nothing except a blue background, a white sign with the word Cambodia, and an anthem with lyrics but no music.

I would like to inform the clergy and compatriots that the SNC flag and anthem are not related to and do not affect the State of Cambodia's Constitution, anthem, and flag, which are being used in the State of Cambodia. Broadly speaking, although the SNC now exists, it has been clearly recognized that the two governments continue to function in the two zones until after the election. I would therefore like to specify that our government, on the one hand, and the tripartite government on the other, continue to function. We have a Constitution, laws, and everything—structures, national flag and anthem, and constitution—all these have been maintained.

On this point, I would also like to specify that recently there was some bad psychological influence caused by a number of economic sabotage activities. Some people use this argument—that when there is a cease-fire or this kind of reconciliation—to hike prices of gold or goods saying that the State of Cambodia's currency might no longer be used. I would like to inform the clergy and compatriots that whatever is now in use in the zone under the State of Cambodia's administration remains the same; nothing has been abandoned. Concerning currency, talking in terms of states, only the State of Cambodia has a currency in use. This currency will be used forever, if after the election the new government does not issue replacement bank notes. Therefore, I would like to specify that this money still has value; there is no other currency to replace it if the next government—there is no way of knowing when there will be one—does not change it. And if the next government needs to use this currency and if this money does not affect anything else, this currency will continue to be used. So I would like to specify that there is no other currency to replace the current one at the present time.

Thus, there should be no worries about the new flag and its effect. This flag is only used for the SNC; it is the same for the anthem. The two states still use their own flags, anthems, and national emblems. This flag is only used at diplomatic functions, such as for display at the United Nations and various international organizations.

Apart from these issues, we have agreed on many other points. However, the most important thing that I would like to inform the clergy and compatriots is that the SNC has unanimously reached an agreement on an unlimited cease-fire everywhere. Along with this, we agreed to stop accepting foreign military aid. This point is the most important one at this meeting because we went straight to the heart of the problem. What is this heart of the problem? The heart of the problem in Cambodia is the war. Once the war can be ended we will have basically resolved the issue.

Our country has been at war for over 21 years, and this is the first time that Cambodians have agreed among themselves to stop fighting one another and to stop accepting foreign military aid to consolidate the cease-fire. There was no foreign pressure; it stemmed from the goodwill of the SNC members who represent the various political tendencies.

I would like to inform the clergy and compatriots that these proposals for a cease-fire and end of military aid were presented by the State of Cambodia since 1986, particularly at the Paris conference which ended without achieving anything. Some parties and countries refused to go along with these proposals; their condition was to first dissolve the State of Cambodia. They let Cambodian parties test their strengths on the battlefield.

However, through the test of strength on the battlefield following the withdrawal of Vietnamese troops in September 1989, nothing was achieved apart from leaving bodies on the battlefield, creating countless suffering for the Cambodian people, creating refugees or war refugees in Cambodia, and causing immense destruction to the Cambodian people. Now, the test of strength on the battlefield for two dry seasons and the firmness of the State of Cambodia's armed forces have clearly shown that it is now necessary to go along with the State of Cambodia's requests and goodwill to implement a cease-fire and stop accepting foreign military aid. This is aimed at, firstly, increasing mutual trust leading to the final agreement to bring peace to the Cambodian people; and secondly, to ending the bloodshed among fellow Cambodians for this is the cause of destruction to the Cambodian people. This is what I consider the most important thing for our Cambodian people, who have been war victims for over 21 years and have greatly suffered.

Now we have reached agreement on a cease-fire and an end to military aid. As for the remaining issues, I would like to inform the clergy and compatriots that in order to consolidate the cease- fire and stop receiving military aid, I and other colleagues in the SNC have presented a number of proposals to enable us to implement and consolidate this cease-fire. These proposals include, first, the request for UN assistance at this preliminary stage to create an atmosphere of mutual trust. We have listened to the explanation by the UN secretary general's special envoy. He says that before the signing of an agreement on a comprehensive solution, the United Nations cannot dispatch a large number of troops to observe the cease-fire and the end of military aid. However, in accordance with its regulations, the United Nations could only provide assistance by sending some military officials to help and cooperate; they would be attached to all parties' army commands and would also cooperate with the Cambodian parties to solve problems in case there are violations. The United Nations could provide assistance in telecommunications to facilitate a solution and reconcile Cambodian parties. Therefore, the number of these officials cannot be great.

However, I would like to specify that the limited response which the United Nations can really provide was judged by His Excellency Khieu Samphan to be unreasonable. Therefore, His Excellency Khieu Samphan proposed that this issue be discussed later; we do not know when we can receive UN and international assistance to consolidate the cease-fire.

The second proposal put forward by members of the Phnom Penh SNC was the establishment of an SNC coordinating military mission to solve the conflict by ourselves. We have reached a voluntary cease-fire; therefore, now is the time to test the Cambodian people's goodwill because we want the Cambodian people to solve their own problems. For this reason we proposed the establishment of a coordinating military mission of the SNC so that military officials of all parties can meet, discuss, and solve the conflict and prevent it from recurring.

However, since the first issue—on limited UN assistance—was not settled, no official statement has been been forthcoming on these two issues. Nevertheless, although no official statement has been issued, some members have finally agreed that cooperation is needed should the war or armed conflict break out again. This is a point on which we could reach agreement with the other members, except for the group of Their Excellencies Khieu Samphan and Son Sen.

Another point is that our side—our State of Cambodia's side—also made an additional proposal on our undertaking to stop receiving foreign military aid and on the cessation of the transit of arms through the neighboring countries. I proposed at the meeting that since the Cambodians have now willingly agreed to stop receiving foreign military aid, there is no reason for any foreign countries to send arms to the Cambodian factions, or for neighboring countries sharing a border with Cambodia to allow other countries to transport arms through their territories. I also proposed that the SNC appeal to the donor countries to stop providing military aid to the Cambodian factions. I also called on the SNC to appeal to the Kingdom of Thailand, the Lao People's Democratic Republic, and the SRV—whose borders are adjacent to Cambodia—to pledge not to allow other countries to use their territories in transporting arms to the Cambodian factions. But since the first issue was not resolved, no agreement has been reached on this problem either.

Therefore, availing myself of this opportunity, I would like to continue appealing to countries which used to give military aid to the Cambodian factions, and countries which used to serve as a transit for arms shipment to the Cambodian factions to please promise to stop their arms aid and stop letting their territories to be used as a transit for arms shipment to the Cambodian factions. This kind of a measure, if effectively implemented, will certainly bring about mutual trust and consolidate the cease-fire if it is time to stop the shooting. If the other countries continue to provide arms and neighboring countries continue to transit the arms, I believe if the future situation is to be bad, it might be worse than it is today. This is because, as they stop fighting, all Cambodian factions will certainly strive to store up their existing arms and ammunition and, should additional arms aid continue to flow in, this arms cache will certainly become a huge arms stockpile. So, if war breaks out again, the fighting will certainly be on a much larger scale than today because of this huge stockpile of arms and ammunition.

Therefore, on behalf of the Cambodian Government, I would like to appeal to all those countries to please understand and be kind to the Cambodian people by helping to put a permanent end to this war through the cessation of their arms aid and an end to their allowing the transit of arms to the Cambodian factions.

In addition, there are some other points which have been agreed upon, such as the dispatch of a delegation to the United Nations and missions to the international organizations and to attend various international conferences.

There are some other issues and facts related to this meeting on which I think that our press and radio and television must have already reported to the public since SPK correspondents and Cambodian television crew have come to cover and report from here. Therefore, I will not describe any further details about these issues.

Before ending, I would like to make an appeal to all factions, or to the combatants of all factions for them to be honest to their pledges in order to carry out an effective cease-fire and put an end to the bloodshed and the destruction to our Cambodian people.

Officers and men of the three armed forces on the other side should also stay in place and stop their military activities. The State of Cambodia pledges clearly that we will not carry out military activities nor deploy our forces for territorial expansion. And we would like to request the other side to maintain similar undertaking so as to create an atmosphere of trust.

I would like also to appeal to all countries to please respect and support whatever the SNC has agreed upon here.

Samdech Sihanouk has proposed a plan dated 22 June 1991, a step-by-step plan which is most realistic and applicable. This plan will help facilitate the implementation of the peace plan worked out by the Big Five and Paris International Conference on Cambodia [PICC] cochairmen. If the Cambodian people are allowed to decide their own destiny, it will be the best point. The Cambodian problem has now shrunk to become just a matter within the scope of the conflict among the Cambodians themselves. This is thanks to, on the one hand, the withdrawal of Vietnamese troops from Cambodia since 1989. Now that the Cambodians have stopped receiving foreign military aid, the so-called external aspect of the Cambodian problem has been put to an end. What is left is just the internal aspect of the Cambodian problem which the Cambodians must try to settle by themselves.

It is true that we still depend on, still need, the help and assistance of the international community, including the PICC and the five UN Security Council permanent members. But, Cambodians should be allowed to seek agreement on the fundamental issues by themselves. This is because if the Cambodians could not come to terms, the problem would not be resolved. This point has been proved to be true in the efforts made during the past nearly four years—three and a half years—to settle this problem.

Therefore, we would like all countries to please support the success made by the Cambodians and to encourage them to seek further agreements. All these agreements are basically aimed at advancing toward reconvening the PICC.

At the same time, I would like to inform all monks and compatriots that the State of Cambodia's side is ready to discuss the remaining issues. We have agreed to attend further SNC meeting to be held in Bangkok and before the Bangkok meeting, there will be an unofficial meeting and discussion at a place to be fixed later. I would like also to inform all monks and compatriots that on 18 July 1991, I will leave for Pyongyang in North Korea in order to meet, or pay a visit, to Samdech Norodom Sihanouk there. This will also be a good opportunity to discuss with Samdech Sihanouk on his trip to Cambodia probably in November 1991, during which we will be observing the boat-racing and full moon festivals, a time for Cambodians to meet and enjoy life together.

I would like to to thank all compatriots and monks for paying attention to this message to the nation.

May all monks and compatriots enjoy Lord Buddha's five blessings—long life, happiness, health, strength, and wisdom. Thank you.

Chea Sim on Four Decades of KPRP Achievements

BK0107094991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 28 Jun 91

[Article by Chea Sim, member of the Kampuchean People's Revolutionary Party, KPRP, Central Committee Political Bureau and chairman of the National Assembly and of the Kampuchean United Front for National Construction and Defense, KUFNCD, National Council, date not given: "The Kampuchean People's Revolutionary Party and Four Decades of Its Achievements"]

[Text] Linking itself to the world's thunderous revolutionary movement following the Great October Socialist Revolution and under the leading beacon of the [words indistinct] which had forged the national alliance between the Cambodian, Vietnamese, and Lao peoples in their glorious common struggle against the French colonialists and Japanese fascists, the Khmer People's Revolutionary Party [Khmer PRP] came into being in 1954.

The founding of the Khmer PRP opened a new chapter in the Cambodian people's struggle to bring independence, peace, freedom, and happiness for the Cambodian motherland and people. It further consolidated and developed the tradition of excellent solidarity among the three Indochinese parties and peoples in general, and between the Cambodian and Vietnamese peoples in particular, solidarity further promoted by the fraternal feelings of togetherness and sincere mutual help and based on the genuine spirit of proletarian internationalism.

During the past four decades, the Cambodian revolution engaged in an arduous, protracted, difficult, and complex struggle. However, at each stage of its persistent struggle, thanks to the bonds of the Cambodia-Vietnam-Laos internationalist alliance and solidarity, and under the leadership of the Kampuchean People's Revolutionary Party [KPRP], the Cambodian people have always scored brilliant successes. Most outstanding of them all were the victories over the French colonialists, the U.S. imperialists and their lackeys, the hegemonists, and the genocidal Pol Pot gang.

In all eras, the KPRP has always mustered the force of great solidarity and national union forging it together with the force of the working class and peasant class of Cambodia into the sharpest tool of the Cambodian revolution and the hard core of revolutionary solidarity in alliance with other working groups of the national society [words indistinct], especially in overcoming difficulties and obstacles of all dimensions in the advance toward realizing the historic mission in response to the sacred aspirations and wishes of the Cambodian people, in line with the trend of the times and the noble ideal of the party.

Having upheld the role of the masses as the essential force of the social revolution and having adhered to the views that revolution is a cause of the masses, that the force of the masses and people is the perennial source capable of realizing all revolutionary tasks, and that the KPRP [words indistinct], both during the time of clandestine struggle and the time of open struggle to indoctrinate, inform, explain, and encourage, as well as to organize and lead the people in all strata of the Cambodian national society and expand to the maximum the optimal revolutionary potentials of the masses in order to successfully implement all objectives of the revolution.

[Words indistinct] was an active factor ensuring the victory [words indistinct] focused attention on mobilizing all patriotic and progressive social strata and all ethnic groups, people from all circles and relgious affiliations, including intellectuals and former personalities, with the aim of fostering unity with any forces with which it could unite and neutralizing any forces that still remained unsure and unreliable in order to isolate the enemies and advance toward handing them the final defeat.

During the revolutionary stages, from the time of the struggle against the French colonialists, the time of the clandestine political struggle against the feudalists from 1954 to 1970, and the time of the struggle against the U.S. imperialists, to the time of struggle against the genocidal Polpotists, we have succeeded in winning victories in all these struggles thanks to the fact that our party had followed a correct and enlightened political line.

The truth has shown that one of the most important causes making all these victories possible was the fact that our party enjoyed the firm support of the front organization and had a correct mass proselytization policy that matched with each revolutionary stage, at which it constantly played a leading role, thus making it possible for the party to muster the combined forces in service of the common revolutionary cause.

The constant strategic political role of [word indistinct] was to muster all patriotic forces regardless of their political tendencies, social status, and religious belief into the national union under the KPRP leadership. This was clearly reflected in the stage of cladestine political struggle against the feudalists from 1954 to 1970, which was a very intense and most dangerous stage of the well-steeled struggle full of sacrifices by party members and cadres, a stage where everybody had to be constantly on alert and vigilant. However, despite all the immense difficulties, the party continued to enjoy the trust, confidence, and support of the masses, attracting sympathizers from all circles and strata of the society to the revolutionary movement both in the cities and the countryside.

This stage also constituted an important prologue for the [word indistinct] progress made in the liberated zone [word indistinct] in the struggle against the U.S. imperialists and their lackeys from 1970 to 1975.

Since 1981, the KPRP which had been founded and fostered for a long time in each stage of the revolutionary struggle, has embarked on a wise tactic of struggle conforming with the circumstances and prevailing situation, taking into account both the realities of the Cambodian society and the overall atmosphere in the region and the world. The [word indistinct] and policy of the party have always been adjusted to the framework of the laws of revolution, the tradition, the mores and customs, and the cultural and psychological standards of the Cambodian society. The party has firmly stuck to the norms of Leninism and adhered itself to the prevailing local conditions as well as the revolutionary experiences of various countries, combining genuine revolutionary theories with the realities in the national society. Most outstanding was the implementation of the line of people's warfare that has brought, and is bringing about, most brilliant victories.

Braving and overcoming all major difficulties threatening the position of the party, genuine party members have always [words indistinct] and saved the party in time so that it could resume leadership in carrying out its historic mission.

Since its founding, the party has lent its leadership in whipping up the revolutionary movement and successfully waged the arduous and complex struggle against the French colonialists, the feudalists, and the U.S. imperialists. However, the KPRP came through one of the bitterest experiences generated by sham Communists who had wormed their way into party ranks, usurped the highest position in the party leadership, betrayed the nation, the people, and Marxism- Leninism, and most seriously undermined the party. They sowed anti-Marxist-Leninist ideas, abandoned the stance of the working class, took friend as foe and foe as friend, and most savagely implemented a dictatorial militarist policy. They slaughtered more than 3 million pure party members, cadres, and innocent people, and regressed the Cambodian society decades into the past, reducing it to a primitive society that functioned only with bare hands and had a socioeconomic structure that was backward and completely turned topsy-turvy.

The Kampuchean National United Front for National Salvation was founded at the beginning of December 1978 with a correct, clear-sighted, fair, and truthful 11-point policy aimed at saving the nation from the deadly fangs of the genocidal Pol Pot gang. Under the glorious banner of this front and enjoying the wholehearted assistance of the fraternal Vietnamese party, government, people, and volunteer army, the Cambodian people pitched in their contributions to quickly topple the genocidal Pol Pot regime and created the People's Republic of Kampuchea—now the State of Cambodia. They advanced the Cambodian revolution in accordance with the norms that are based firmly on the bonds of friendship, special solidarity, and cooperation among the fraternal peoples of the three Indochinese countries, relying on their new-found position and strength.

Consequently, the epoch in which the party suffered a serious threat from the counterrevolutionary and antipopular nature of the genocidal Pol Pot gang, who wanted to establish themselves as the weird superleaders in the world through the implementation of their policy of genocide and wonderful great leaps, was brought to a definitive end on 7 January 1979.

During the past 12 years, the Kampuchean People's Revolutionary Party [KPRP] has implemented, and is implementing, most consistently the strategic objective of the revolution as well as the tactics, [word indistinct] and many of its slogans in the prevailing situation of each stage with the massive participation of the people and the wholehearted assistance of the Vietnamese volunteer army and experts together with the material and moral support of Laos, the Soviet Union, other friendly countries, and the progressive forces in the world. As a result, the Cambodian revolutionary forces have seized superiority over the enemies in all fields—military, political, and diplomatic.

The people's administration and all kinds of revolutionary organizations have been controlling the country and the people. The Cambodian Armed Forces, including the army, police, and militia, which constitute the instrument of dictatorship for the party, are strengthening and expanding their position of mastery both at the border and in the interior of the country, thus ensuring the overall safety for the whole country, including the political security and the good order of the entire society.

Since their overturn on 7 January 1979, the genocidal Pol Pot gang and the other reactionary Khmer groups supported and fed by the international reactionary circles under the Coalition Government of Democratic Kampuchea label, which in fact forms the genocidal alliance having the Polpotists as their military backbone, have been carrying on their strategic maneuvers to invade and topple the new regime of the State of Cambodia. However, again and again, they have been defeated by the revolutionary forces, and with each passing day their criminal features have been further exposed to the growing condemnation and denunciation of world public opinion which has nothing but contempt and hatred for their genocidal nature.

In a situation in which it had to start from scratch with bare hands as the enemies continued to attack and harm the revolution without letup for the past 12 years, the State of Cambodia has fought and overcome myriads of obstacles to restore the socioeconomic and cultural infrastructures of the country. Though it has not yet completely succeeded in that endeavor, the State of Cambodia has managed to bring about a remarkable progress to that domain. Most salient of all are the achievements made in the effort to ward off the four serious dangers: genocide, famine, pestilence, and illiteracy.

Moreover, not only did the Cambodian people fail to die like flies as wishfully predicted by some circles, but they have even achieved some degree of progress and dignity in their existence within a state that is ruled by law and where the freedom of religion, honors, and legitimate interests of each citizen are fully guaranteed and are being steadily developed in the process of material and technical reconstruction aimed at serving the demands of the battlefields as well as production, the people's living conditions, and the preparations for future development.

Generally speaking, the outlook of the national society has been completely changed. Large segments of the masses are following the party and revolution, joining in the successful implementation of the three revolutionary movements in the struggle to defend the motherland, to increase production, and to build a new life-style, and in all other revolutionary movements.

In the period of protracted struggle full of difficulties and complications, the history of the KPRP has been through many twists and turns, particularly since the leftist genocidal Pol Pot gang caused such serious a damage to the party in political, ideological, and organizational fields.

Following the victory of 7 January 1979, the surviving genuine party members joined hands in rebuilding the party along the Marixist-Leninist line. The third party congress adopted the resolution to restore the party and make it strong and viable politically as well as ideologically and organizationally, and regarded this task as the key factor determining the victory of the revolution under all circumstances. Responding to the the spirit of the resolutions adopted by the third, fourth, and fifth party congresses, our party members, though small in number at the beginning, but highly determined, strove hard to rebuild the party, making it develop and grow step by step, ensuring its fighting and leading characters, and enabling the Cambodian revolution to win all-round important successes in the past 12 years.

At present, the main revolutionary ideas have been fundamentally propagated, gradually strengthened and developed, and deeply imprinted in the conscience of society as the pure new views and conscience including, for example, the revolutionary theory of Marxism-Leninism; the party's line and policy; the patriotic conscience and proletarian internationalist solidarity; the spirit of mastery over tasks and self-reliance; confidence in the party and in one's own strength; revolutionary life-style; the distinction between friend and foe; and the hatred against the genocidal Pol Pot regime and its allies.

The filth, found in the mentality of the people, as a legacy from former regimes, especially the genocidal Pol Pot regime, has been erased. Good customs and the sense of sympathy and mutual help among the people have been restored. Relationships on equal-footing among true comrades and the spirit of being the masters of the land have gradually flourished. The party-expanding work has been basically promoted, thus helping the ranks of party members to grow little by little. The quality of party members and party chapters has also been steadily improved. In consequence, the party is taking deep roots within the masses.

Since the first step of the revolutionary administration, the KPRP has consistently pursued a correct foreign policy by holding aloft the banner of patriotism and proletarian internationalist solidarity, closely linking the force of the nations with the force of the times, and implementing a principled and flexible diplomatic tactic aimed at increasing the number of friends and decreasing that of foes.

The State of Cambodia has restored and constantly promoted the traditional bonds of solidarity among the three Indochinese states and peoples and the bonds of solidarity with the Soviet Union, other friendly countries, and progressive peoples the world over, bonds of solidarity which were completely undermined during the reign of the genocidal Pol Pot regime. At the same time, it has paid attention to developing relations and mutual assistance and support within the international communist and workers movement, thus winning the sympathy of the world's progressive people and international humanitarian organizations for Cambodia, broadening normal relations with other countries, and thereby linking the interests of the Cambodian people to those of the world's people.

In the light of the fifth party congress resolutions, consistently implementing the strategy of firmly protecting the gains of the revolution, and using a flexible fighting tactic, the KPRP has implemented the policy of national reconciliation and has clearly showed to the rest of the world the goodwill for peace of the Cambodian people and the dynamism of the State of Cambodia as the driving force in the search for a political solution to the Cambodian problem and the sole force capable of preventing the genocidal Pol Pot regime's return to power.

Through its diplomatic activities, the prestige of the KPRP and the State of Cambodia has been brought to new heights in the international arena. Although the international reactionary forces have been seeking by all means to isolate and sabotage the State of Cambodia, and have been using all tricks to distort realities in Cambodia, the State of Cambodia continues to survive and develop steadily, making important steps on the international stage by establishing ties with 36 countries and many other progressive parties, fronts, and movements the world over.

The successes of the domestic and foreign policies of the Cambodian revolution have affirmed that the situation of the Cambodian revolution is irreversible. At the same time, these factors have created a fundamental prelude for the Cambodian revolution to advance toward strengthening and developing its national defense and reconstruction efforts and to consolidate the position of strength and victory of the revolution over the enemies of all stripes. The cause of the Cambodian people's revolutionary struggle has had a diffcult and complex, but most gloriously victorious, evolution. This favorably enables the party to enjoy a steadily powerful consolidation and development in its capacity as the leading force of the Cambodian society and state. It also more glaringly unshrouds the noble ideal of the party aimed at serving the people and the nation. For this reason, the second national conference of party cadres held in April 1989 clearly theorized that party leadership is the factor determining the victory of the revolution. The shining achievements of the KPRP during the past four decades have most clearly demonstrated the truth of this theory.

In the atmosphere of joy and satisfaction that envelops the celebration of its 40th founding anniversary, the KPRP which is always loyal to Marxism-Leninism would like to solemnly reiterate its determination to continue unfurling the two banners of national independence and international solidarity. Forever, the KPRP and the Cambodian people will feel deep respect and profound gratitude for the sincere, immense, and effective assistance of the fraternal Vietnamese party, government, and people. The KPRP will continue incessantly to instill this spirit in our party members and people in order to strengthen the spirit of defending the strategic alliance of solidarity among the three Indochinese countries, heighten the conscience of being the masters of the land, the will of mastery over tasks and self-reliance, and exert determination to defend the motherland, thus actively contributing to the revolutionary cause of the three Indochinese countries.

The KPRP opposes the spirit of narrow-minded chauvinism, opportunistic tendecies, and all acts harmful to the bonds of friendship and solidarity among the three nations of Cambodia, Vietnam, and Laos. Under all circumstances and in all situations, the Cambodia-Vietnam bonds of friendship and solidarity must absolutely be constantly fostered and perpetuated, for these traditional bonds have been forged in the glorious joint struggle against the enemy aggressors through combat in the same trench and bloody sacrifices of many genuine and courageous party members, cadres, combatants, and peoples of Cambodia and Vietnam for the sake of independence, sovereignty, and territorial integrity of their respective motherlands.

Heng Samrin Greets CPV Chief Do Muoi

BK0107071591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 30 Jun 91

[Text] Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party [KPRP] Central Committee, on 27 June conveyed a congratulatory message to Comrade Do Muoi, who has been elected by the Seventh Congress of the Communist Party of Vietnam [CPV] as the CPV general secretary.

The message read: On the occasion of your election as the CPV general secretary, on behalf of the KPRP Central Committee and in my own name, we are extremely pleased to extend to you, comrade, our most sincere support and warmest greetings. May you have the best of health and achieve new, still greater successes in the implementation of your noble tasks.

We firmly believe that under the proper, clear-sighted leadership of the CPV, under your courageous leadership, the heroic, brotherly Vietnamese people will reach new levels of achievement in accordance with the resolutions adopted by the Seventh CPV Congress.

May the close relations of solidarity, friendship and cooperation between the parties, governments, and peoples of our two countries further flourish and strengthen.

60,900 Hectares of Rice Planted by Mid-Jun

BK0107071291 Phnom Penh SPK in English 0457 GMT 1 Jul 91

[Text] Phnom Penh SPK July 1—Farmers throughout Cambodia had grown 60,900 ha [hectares] of rice of several varieties by mid-June, according to a report of the Agronomic Department under the Ministry of Agriculture.

The rice planted area was 3 percent of 1.94 million hectares planned for rice cultivation this rainy season, the report said.

As there was ample rainfall in almost every part of the country since early this rainy season, rice cultivation has been conducted smoothly. In Takeo Province, 90 km south of Phnom Penh, the farmers put 8,600 ha under rice in the same period, or five percent of its seasonal target.

Rice cultivation in the rainy season begins in April when the farmers prepare land and raise rice seedlings for transplanting, and ends in October when they harvest short-term rice or the early rainy season rice. The long-term rice crops are harvested from late Novemeber to January, during which another rice cropping is done for the dry season.

Last rainy season, the farmers grew rice on 1.71 million hectares, or 88 percent of the seasonal target.

Paddy Purchase Drops

BK0207053491 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 1 Jul 91

[Text] By 10 June the provinces and cities throughout the country had bought over 103,000 metric tons—or over 25 percent of the plan—of paddy for the state.

Compared to the same period last year, this year's paddy purchase is about 15 percent less. The provinces and cities in cooperation with the Trade Ministry have already transported and stored this paddy in warehouses.

AICF Gives Assistance To Battle Malaria

BK3006075891 Phnom Penh SPK in French 0414 GMT 30 Jun 91

[Text] Phnom Penh 30 June (SPK)—Malaria is endemic in the province of Kampot some 140 Km south of Phnom Penh, especially in the mountainous districts of Chhuk and Chum Kiri.

During the first five months of the year, more than 1,490 people suffered from malaria with five among them killed.

Health workers were dispatched to the spot to detect and round up the sick people.

The AICF [International Association Against Famine] has helped the province to build and equip two laboratories in Chhuk and Chum Kiri to combat the desease transmitted by mosquitoes. The AICF has also assisted in training two health specialists.

Khmer Rouge Deny Shelling Refugee Camp

OW0207092391 Tokyo KYODO in English 0909 GMT 2 Jul 91

[Text] Bangkok, July 2 KYODO—The Khmer Rouge guerrillas on Tuesday denied news reports that they had violated a ceasefire agreement by shelling a refugee camp in central Cambodia.

Khieu Samphan, leader of the faction, said his soldiers no longer wear "black uniforms" as described in the Western news agency reports, filed Monday from Phnom Penh.

The reports quoted Western relief workers as saying the camp in Kompong Spue was attacked after a meeting last week among Cambodian resistance and government leaders.

The Communist Khmer Rouge is one of the three guerrilla groups fighting the Phnom Penh government.

"We have no reason to go against" the agreement reached at last week's meeting, which included a ceasefire and an end to foreign arms assistance, the Khmer Rouge leader said.

Sihanouk Leaves Thailand; Khieu Samphan Comments

BK0207054891 Hong Kong AFP in English 0547 GMT 2 Jul 91

[Text] Bangkok, July 2 (AFP)—Cambodian resistance leader Prince Norodom Sihanouk left here Tuesday for Beijing, where he is to participate in peace talks among the warring Cambodian factions.

The prince made no statement to reporters as he left here for the Chinese capital.

Cambodia's warring factions agreed last week at a meeting in the Thai resort of Phatthaya on a permanent cease-fire in their 12-year-old war as well as on an end to outside arms shipments—essentially from China to the Khmer Rouge-dominated resistance coalition, and from Vietnam to the Phnom Penh government.

Khmer Rouge leader Khieu Samphan, who was at the airport to see off Prince Sihanouk, said, "we would like to preserve the results (of the Phatthaya meeting). There is no reason to put them in jeopardy."

Prince Sihanouk is the nominal leader of the anti-government guerrilla coalition, but he has said was determined to serve as a bridge between his allies and the Cambodian Government.

Feuding KPNLF Factions Agree To Unite

BK3006020891 Bangkok BANGKOK POST in English 30 Jun 91 p 2

[Text] The two factions of the Khmer People's National Liberation Front (KPNLF) have agreed to reunite under the leadership of president Son Sann, commander in chief of the Khmer People's National Liberation Armed Forces (KPNLAF) Gen Sak Sutsakhan announced yesterday.

The KPNLF became embroiled in a bitter internal rift in 1985 between KPNLF leader Son Sann and KPNLAF leader Gen Sak.

The rift remained unresolved until after the Cambodian Supreme National Council meeting in Phatthaya.

On June 27, Prince Norodom Sihanouk urged Mr Son Sann and Gen Sak to reconcile their differences because of major concerns by "friendly nations" over the implementation of the ceasefire.

In his statement yesterday Gen Sak said "the prince urged me to seize this opportunity in order to talk it over with Your Excellency (Son Sann).

"So, if Your Excellency does not object, my collaborators and myself are willing to sit down with Your Excellency and staff to discuss this extremely urgent and important matter as soon as possible.

"In the spirit of reconciliation, my collaborators, the entire KPNLAF army with myself as commander-in-chief, are honoured to accept our reunion with the KPNLF presidency as well as our consideration and recognition of Your Excellency as president of the KPNLF," Gen Sak said.

In a separate statement also released yesterday Gen Sak said the KPNLAF had agreed to accept the ceasefire as adopted by the SNC in Phatthaya.

Gen Sak said in this statement that Prince Sihanouk had informed him on June 27 of the results of the SNC meeting and asked his forces to observe SNC decisions and exercise military "self-restraint."

Hun Sen Side Urged To Allow Enhanced UN Role

BK0207094991 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 2 Jul 91

[Political commentary: "Our Just Objective"]

[Text] At this stage, the silhouette of peace is becoming increasingly visible. For the Cambodians who have suffered over the past two decades, nothing would make them more happy than the restoration of peace to their motherland. However, along with the euphoria pending the emergence of peace, we are of the opinion that veritable peace can only come true if it has a well-defined basis. What is the basis of the peace?

The secure basis of peace in Cambodia is the right to self-determination of the Cambodian people, meaning free and democratic elections. Through the implementation of democracy, the people are able to choose a regime to administer and protect their own interests and those of their children in the generations to come. Only the regime that the people can establish themselves will be independent without foreign domination. This regime is different from the foreign-installed one in Cambodia which must be subject to the control of the foreign country that has shored it up.

The accession to power of the regime chosen by the Cambodian people to replace the regime propped up by foreigners signify the emergence of a genuine peace with full independence in Cambodia. This is the objective of the nationalist groups in their struggle over the past 10 years. We have been fighting neither for power nor assisting the Khmer Rouge in retaking the power, but for a just cause in the interest of the Cambodian nation. By all accounts, all the parties should hand over power to the Cambodian people in order to enable the latter to dictate a decision on their own destiny, and the former should abide by this decision.

At present, we are approaching our fair and just cause. We have the peace plan of the Big Five [five permanent members of the UN Security Council], which is the rational foundation for a settlement of Cambodia's problem. However, what remains ambiguous is whether the Heng Samrin regime will agree to allow the United Nations to have an enhanced role according to the plan so as to create a neutral atmosphere, or whether it will still insist on preserving the base of authority of the Vietnamese-installed communist regime.

At the meeting in Thai Phatthaya City, the nationalist Cambodian leaders softened their positions and displayed full efforts to break the deadlock. Nevertheless, the last key to peace is currently in the hands of the Hun Sen group. As such, in order to break the stalemate at this final stage, the Hun Sen side must give the United Nations full authority to ensure a neutral political climate prior to elections, enabling the Cambodian people to choose a regime that authentically represents Cambodia in place of the regime established by foreigners. The Hun Sen side should allow for this. The whole world and the entire Cambodian people are waiting for the consent.

VODK Claims SRV Forces Still Present

BK3006033891 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 29 Jun 91

[Station commentary: "Only the Hanoi authorities' complete withdrawal of their aggressor forces from Cambodia under UN supervision and control can guarantee a comprehensive political settlement of the Cambodian problem"]

[Text] Every Cambodian earnestly wants to end the race-exterminating war of aggression carried out in Cambodia for nearly 13 years by the Hanoi Vietnamese enemy authorities via a comprehensive political solution. However, to achieve this, Vietnam must genuinely withdraw all its aggressor forces from Cambodia under the UN supervision and control in accordance with the framework document of the five permanent members of the UN Security Council [UNSC].

The Cambodian people clearly see that only a total withdrawal of the Vietnamese aggressor forces—military and civilian, uncovered and disguised—and the Vietnamese immigrants can guarantee the restoration of peace and security to Cambodia and a national reconciliation among the Cambodians, thereby allowing the Cambodian people to settle their own affairs and decide their own destiny through free, just, and democratic general elections under UN supervision.

As for the international community that has painstakingly strived to enhance a comprehensive political settlement of the Cambodian problem for nearly 13 years, it is of the unanimous opinion that in order to settle the Cambodian problem and restore peace, security, independence, sovereignty, and territorial integrity to Cambodia, Vietnam must genuinely remove all of its invading forces from Cambodia. In view of this, the 28 August 1990 framework document of the five UNSC permanent members prescribes a key provision requiring Vietnam to completely withdraw its aggressor forces from Cambodia under UN supervision and control, ensuring the permanent departure of Vietnamese forces and armaments from Cambodia. This is absolutely correct. The whole world has learned and acknowledged that the Cambodian problem stems from Vietnam sending troops to invade and occupy Cambodia since the end of 1978.

The act of aggression and occupation committed by the Vietnamese is an aggressively insolent violation of the UN Charter and international law; a sabotage of peace, security, and stability in Southeast Asia and the Asia-Pacific region; and a destruction of the world order. It is an enormous crime committed by the Hanoi Vietnamese enemy aggressors against the peoples in Cambodia, in the world, and in Vietnam itself.

The Cambodian problem is created by the Vietnamese invaders. Therefore, in order to close the books on this matter, Vietnam must beforehand—and not fallaciously—remove all of its forces from Cambodia under the UN supervision and control. In the past, the Hanoi Vietnamese enemy aggressors did not genuinely withdraw their invading troops from Cambodia. By all accounts, they continue to maintain their disguised aggressor forces, both military and civilian, in Cambodia by secretly incorporating them in the puppet army and state authorities. Those Vietnamese forces continue to occupy the country under the eyes of their lackey puppets. Along with this, the Vietnamese enemies also continue to endlessly ship reinforcements to Cambodia for the purpose of building up its forces to launch offensives aimed at destroying the national resistance forces which are fighting the Vietnamese for liberating their own nation and race. Moreover, there are over 1 million Vietnamese immigrants in Cambodia cooperating with the Vietnamese forces in actively implementing the policy of Vietnamizing Cambodia.

If the Vietnamese forces remain everywhere in Cambodia, can peace and security be restored to Cambodia and the Cambodian problem be settled? Can the Cambodian people achieve a national reconciliation and choose their destiny themselves? No. Absolutely not. It is certain that those Vietnamese forces will continue to rekindle the flame of war in Cambodia, thereby blocking the restoration of peace to Cambodia and hampering peace, security, and stability in Southeast Asia. That being the case, the Hanoi Vietnamese enemy aggressors can never dodge their responsibility for the settlement of the Cambodian problem.

The Cambodian people as well as the world continue to persist in demanding that the Hanoi authorities genuinely withdraw all their aggressor forces from Cambodia by deeds but not by words. They must withdraw under a strict supervision and control of the United Nations so as to allow the Cambodian people to reach a national reconciliation and hold free and fair elections and allow Cambodia to recover absolute peace, security, independence, and sovereignty within its territorial integrity. Only by doing so can the Cambodian problem be resolved with a political solution comprehensively and definitely.

Cause of SRV Hardship

BK3006074091 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 29 Jun 91

["Station Article": "Only the Vietnamese Enemy Aggressors' Acceptance of a Comprehensive Political Solution to the Cambodian Problem Can Iron Out Diverse Serious Difficulties in Vietnam"]

[Text] According to reports from international radios, the Vietnamese people in central Vietnam are currently faced with serious shortage of foods and suffering from malaria and different diseases due to insufficiency of nutrition and vitamins, and so on, causing an endlessly growing number of the people to lose their lives.

It is over 16 years to date since the end of the Vietnamese war and the reunification of the Vietnamese nation. The Vietnamese people ardently hoped that after the war, the entire Vietnamese nation and population would certainly live in peace and security and have a bright and glorious future as the other countries on the globe. However, after the liberation and reunification over a decade, the Vietnamese people have not only not attained their hopes, but have instead suffered more extensively than during the war. The Vietnamese people are living in the poorest and most miserable conditions without food, medicine, or shelter. One after the other, they die of illness and hunger everyday. As for some other Vietnamese people who could no longer endure hardship, they reluctantly fled from the country by boats across risky oceans to live abroad in an overwhelmingly difficult situation.

The aforesaid causes have stemmed from the Hanoi Vietnamese leaders applying the annexationist policy against neighboring countries by sending troops to invade and occupy Cambodia and Laos in compliance with the Indochinese federation strategy of the late Ho Chi Minh. It is apparent that Vietnam can only regain peace and security and restore its economy to improve the Vietnamese people's living conditions toward prosperity and glory if the Hanoi Vietnamese leaders relinquish the ambition of plundering and seizing the Cambodian and Lao territories, particularly if the Vietnamese leadership agrees to settle its war of aggression in Cambodia via a comprehensive political solution in accordance with the document of the five permanent members of the UN Security Council.

Factions Called Upon To Unite Around SNC

BK0207053791 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 Jul 91

["Slogans on unity around the Supreme National Council headed by the samdech"]

[Text] 1. All our Cambodians both inside and outside the country joyfully support the Supreme National Council [SNC] headed by the samdech, which is the sole legitimate state organization of Cambodia.

2. The present great unity will serve to end the Vietnamese war of aggression against Cambodia, and the future great unity will serve national construction and defense, the building of the economy, and the lives of all families.

3. The tripartite resistance forces have, since the beginning, accepted the document of the five permanent members of the UN Security Council [UNSC] dated 28 August 1990, the document on the Jakarta resolution dated 10 September 1990, and the document on the UNSC resolution dated 20 September 1990. But the Vietnamese aggressors and the Hun Sen-Heng Samrin-Chea Sim group have opposed these documents. Thus, the Cambodian nation, people, and the world continue to engage in a struggle until the Vietnamese and the Hun Sen-Heng Samrin-Chea Sim group accept, respect, and implement these three documents in order to totally end the Vietnamese war of aggression against Cambodia.

4. The Cambodian people greatly need independence and peace. The Cambodian people need independence and do not want the Vietnamese aggressors to occupy Cambodia. Only by implementing the UN document dated 28 August 1990, will it be possible to monitor the Vietnamese aggression and the forces of all warring Cambodian factions, leading to a cessation of the Vietnamese war of aggression.

5. Only after Vietnam and the Vietnamese puppets implement these three documents properly and fully, can the Cambodian nation and people achieve genuine independence and peace, and achieve great national unity; only then can there be possibilities for building the economy and people's lives.

6. The Cambodian people also need independence and peace. This requires that all Vietnamese aggressors must withdraw from Cambodia under UN supervision. All Vietnamese people also need peace and security to be able to build the economy and their lives, and lead the country toward prosperity and freedom from suffering, hardship, and poverty. The world also wants Cambodia to enjoy independence and peace; thus all Vietnamese aggressors and occupation forces must withdraw from Cambodia under UN supervision.

7. All our Cambodian compatriots, parents, brothers, and sisters should go out to persuade those sons, husbands, and relatives who have been forced to serve the Vietnamese aggressors to return home because the SNC headed by the samdech has already been established.

8. Vietnam's administrative staffs, both military and civilian, in villages and communes no longer want to fight on behalf of Vietnamese aggression and their occupation of Cambodia. We do not want our present Cambodia to become a second Kampuchea Kraom. We should return home. All of us should accept and respect the SNC with the samdech as chairman because it is the sole legitimate body in Cambodia and in the world.

Youths Recruited for SRV Espionage Schools

BK0207060191 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 1 Jul 91

["Article": "The Espionage Agents of the Vietnamese Aggressors in Cambodia Constitute a Grave Danger to the Survival of Our Cambodian Nation and People"]

[Text] At the beginning of June, the Vietnamese aggressors forcibly recruited 12 youths in S'ang District of Kandal Province and sent them to attend espionage school in Phnom Penh.

For more than 12 years, the Vietnamese aggressors have been setting up many espionage schools in Cambodia, such as in Phnom Penh City, Battambang, Siem Reap, Kompong Thom, Prey Veng, and Svay Rieng Provinces.

Students in these schools are taught by prominent Vietnamese officers from North Vietnam, who are very skillful in espionage. After giving them training for three or six months, the Vietnamese aggressors would send these espionage agents to conduct subversive acts in our people's villages and communes, and even within the ranks of the national resistance forces.

The current tasks of these Vietnamese espionage agents are to spy on our people and our national resistance forces and report to the Vietnamese troops. In the future these agents will become long-term implanted forces for conducting espionage and subversive, sabotage activities in the service of Vietnam's aggressive and expansionist policy against Cambodia, and in line with the Hanoi authorities' Indochinese federation strategy.

The Vietnamese aggressors have also rounded up our people's sons and daughters, particularly innocent young boys and girls, and sent them to Vietnam. Our Cambodian boys and girls were then sent to attend the special espionage schools in Hanoi or Saigon [Ho Chi Minh City], where they were indoctrinated and misled to oppose their own nation and to accept the Indochinese federation policy of the late Ho Chi Minh and Le Duan, so serving their aggressive and expansionist strategy both in Cambodia and Southeast Asia.

Therefore, the presence of Vietnamese espionage agents in Cambodia is certainly a grave danger to the survival of our Cambodian nation and people, both now and in the future.

In such a situation, it is imperative for our entire Cambodian people to unite and continue upholding the banner of great national union, regardless of different political tendencies, so as to jointly defend our Cambodian race and nation both now and in the future. This will prevent them from being swallowed up by the Vietnamese, and will, in particular, put pressure on Vietnam to accept the settlement of the Cambodian problem in line with the framework document of the five permanent members of the UN Security Council and the detailed document dated 26 November 1990.

Laos

Kaysone Phomvihan Congratulates CPV's Do Muoi

BK0207051391 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 1 Jul 91

[Text] On 27 June, Comrade Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party Central Committee [LPRP CC], sent a congratulatory message to Comrade Do Muoi, general secretary of the Communist Party of Vietnam Central Committee [CPV CC], in Hanoi.

The message reads:

Respected Comrade Do Muoi, on the occasion of your election as general secretary of the CPV CC, on behalf of the LPRP CC and in my own name, I would like to extend my wholehearted congratulations and best wishes to you, comrade. Your election by the Seventh CPV CC to be its general secretary clearly shows the profound trust of the entire party and Vietnamese people in you, who are a steadfast and gallant revolutionary totally faithful to the ideology and cause of the great President Ho Chi Minh. It reflects their trust in your knowledge and experience gained during the years of your leadership in guiding the national liberation struggle and the movement toward renovation. Our Lao party and people respect you and accept you as a close friend who has paid close attention to nuturing and strengthening the special relations of friendship, solidarity, and all-round cooperation between our two parties and countries.

We wish you good health and triumphant successes. Together with the Seventh CPV CC, may you lead the fraternal Vietnamese people to carry out the tasks of renovation, thereby enabling Vietnam to firmly march toward the socialist goal.

Phoumi Vongvichit Receives Outgoing Polish Envoy

BK0107150891 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 1 Jul 91

[Text] Phoumi Vongvichit, acting president of the republic, this morning received a farewell courtesy call from Marian Fronczcek, ambassador extraordinary and plenipotentiary of the Polish Republic to Laos. He has been on his diplomatic mission in Laos since 18 August 1986 and will complete his tenure in July.

Joint Meeting With Thais on Refugee Problem

BK0107153591 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 1 Jul 91

[Text] As reported earlier, the joint meeting on the refugee problem of representatives of Laos, Thailand, and the UNHCR [UN High Commissioner for Refugees] was held in Luang Prabang Province from 27 to 29 June. The Lao delegation was headed by Souban Salitthilat, deputy minister of foreign affairs and chairman of national committee in charge of refugee reception; the Thai delegation by Suwit Sutthanukun, secretary general of the National Security Council of Thailand; and the UNHCR delegation by Mr. (Anwar), director of the UNHCR Regional Office for Asia and Oceania.

The meeting, which proceeded in a frank and creative atmosphere on the basis of mutual cooperation and understanding, agreed to endorse a memorandum on the result of the joint consultations as follows:

The three sides have agreed to continue the tripartite cooperation in sending Lao refugees in Thailand to the Lao

People's Democratic Republic [LPDR]. The Lao side reaffirmed the humanitarian policy of the LPDR Government as appeared in the 1977 communique and its willingness to welcome home Lao refugees in foreign countries. The three sides noted the existence of inadequacies in terms of financial assistance, organization, and repatriation and reception plans and will refer to the joint operation plan for their cooperation in ensuring good living conditions of the Lao refugees and creating conditions for them to return home in the next two or three years. It was proposed that the UNHCR act as the coordinator and follow the implementation of the said operation plan. To ensure the successful implementation of the operation plan, the Lao and Thai sides will cooperate with the UNHCR in persuading Lao refugees to return home and mobilizing financial resources from the international community in a timely manner. The three sides will later discuss the date of the next meeting scheduled to be held in Thailand.

Philippines

U.S. Turns Over Camp John Hay to Government

HK0107080091 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 1 Jul 91

[Text] The management of Camp John Hay in Baguio City was this morning formally turned over to the Philippines by the United States. The turn-over ceremony was personally led by Tourism Acting Secretary Rafael Alunan. Camp John Hay is one of the American facilities which will be returned to the Philippine Government.

'Mixed Emotions' Greet Turnover

HK0207054691 Manila BUSINESS WORLD in English 2 Jul 91 p 10

[By J. J. Ebro]

[Text] The Stars and Stripes was lowered for the last time, leaving the Philippine flag flying proudly and alone overseeing the 337-hectare Camp John Hay during yesterday's formal turnover of the camp to the Republic of the Philippines.

The simple ceremony began at 7 a.m. in front of the Main Club as the American flag was given back to U.S. Ambassador Nicholas Platt who, in turn, gave a symbolic key to the camp to Tourism Secretary Rafael Alunan.

Last Sunday, the American ambassador played his final round of golf in Camp John Hay's rolling green. He said he wanted to see to it that the camp is in tip-top shape before the turnover. "It's in beautiful shape," he concluded.

The rites were greeted with mixed emotions. Sentiment, pride and an unspoken sense of mounting pressure as the Filipinos take over the camp after 88 years of being managed by the Americans, first by the U.S. army and then by the U.S. air force, laid rest in the hearts of the guests.

World War II veterans, who fought hand in hand with the American forces, and some widows openly wept during the lowering of the American flag. They wanted the Americans to stay.

Emotionally Packed

Rienaldo Bautista, chairman of the Camp John Hay Advisory Council, called the proceedings "emotionally packed" especially for the residents who grew up with fond memories of the camp. "It's a happy, sad kind of feeling."

City Mayor Antonio Tabora admitted that a year ago, when reports that the camp will be turned over to Filipinos, it was unwelcome. Residents had doubts whether the Philippines can manage it in the same efficient way.

"But the responsibility is in our hands," he said.

He encouraged camp workers to give a chance to the winners of the bidding for the management of the camp's several food and beverage outlets which also opened yesterday.

Competent Hands

Baguio City Representative Honorato Aquino assured the Americans the camp will be left to "competent hands." He also acknowledged that the long friendship between the Baguio residents, city government and the Americans will continue. "The name Camp John Hay will be retained as a testament to our friendship," he said.

"After all the uncertainties around the bases are resolved, there remains one certainty—our friendship.

"To the skeptics, I say that today's changing of the guards marks the rebirth of Camp John Hay. We will have a better Camp John Hay if we only make it so."

There was a surprisingly small number of Americans who attended the rites.

However, Lt. Col. Kevin Collins, U.S. Air Force commander of Camp John Hay, attributed this to the fact that many had already left. He himself will be leaving for Florida for his next assignment.

Now that John Hay is officially turned over to the Philippines, "the headache has ended and the migraine is to begin," Sec. Alunan yesterday jested.

In turnover ceremonies for the former U.S. military recreational facility, Mr. Alunan at the Department of Foreign Affairs yesterday said that the DoT [Department of Tourism], tasked with its management, would use John Hay as "an asset to advance national development goals."

Tourism Earnings

Tourism earned $1.3 billion for the country last year and has the potential to match Singapore and Thailand, Mr. Alunan predicted.

"In developing John Hay into a significant contributor to the economy of Baguio and the region, the Department of Tourism is fully committed to protecting and improving the assets for which John Hay is justly famous. John Hay's beauty and quiet dignity deserve to be respected and preserved for the enjoyment of the present and future generations," Mr. Alunan promised.

Forest Areas

The diplomatic notes exchanged between Foreign Affairs Secretary Raul Manglapus and U.S. envoy Nicholas Platt commit the Philippines to "taking measures necessary to preserve the forest areas to ensure that the water table will not be lowered or the water supply otherwise impaired on or under the land within the boundaries of what is known as John Hay Air Station."

Phase I of the DoT plan, which is already under way, will be a short interim period of not more than 18 months, with the DoT and the private sector jointly operating John Hay as a going concern.

Under the interim plan, the Philippine Tourism Authority has leased some of the dining and recreation facilities to private companies, the majority of which are Baguio-based firms.

"In the long term, a private company with the right resources, experitse and track recond can best implement the department's development plans. Phase II, therefore, calls for the lease of John Hay to a major resort developer, with the Dot acting as overseer. Already, many blue chip entities, both local and international, have signalled their keen interest, in developing John Hay," Mr. Alunan said.

Presidential Aspirant Santiago on Base Retention

HK0207094891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 1 Jul 91

[Interview with presidential aspirant Miriam Defensor Santiago on U.S. bases, by "Liberty in Action" program guest co-host Louie Beltran—live; italicized portions in English]

[Excerpt] [passage omitted] [Beltran] *What is your stand on the U.S. bases considering what is happening now?*

[Santiago] Since then, I have been saying that we should first allow the U.S. military bases to be retained 10 years. Why? Because the military bases directly employ around 80,000 Filipinos. But it also employs 500,000 Filipinos indirectly. So in short, about half a million Filipinos are given employment by these military bases. Now, if we drastically drive them out after the present bases agreement expires in September, what jobs are we going to give half a million Filipinos? At present, we have about 26 million Filipinos looking for a job and who are able to work. *We have 26 million employable Filipinos, but of these 26 million, about 3.8 million, almost 4 million as of this time, are unemployed. We have one of the highest unemployment rates in Southeast Asia, 17 percent.* [passage omitted]

Aquino, Cabinet Discuss Rehabilitation Measures

HK0207021091 Quezon City Radyo ng Bayan in Tagalog 1300 GMT 30 Jun 91

[Panel discussion with President Corazon Aquino, Department of Budget and Management Secretary Guillermo Carague, and Public Works and Highways Secretary Ping De Jesus regarding the rehabilitation and reconstruction of areas affected by the Mt. Pinatubo eruption—live on "Ask the President" program; italicized portions in English]

[Excerpts] [passage omitted] [Carague] The four committees which you asked to be organized are the infrastructure committee which is chaired by the Department of Public Works and Highways, the resettlement committee chaired by the Department of Environment and Natural Resources, the livelihood committee chaired by the Department of Trade and Industry, and the social services committee which is chaired by the Department of Social Welfare and Development. These committees started to coordinate with each other after Memorandum Order 369 was issued by you. [passage omitted] The importance of the task force *is to see to it that all the agencies of the government are talking to one another, closely coordinating their efforts.* It's not individual planning but consolidated planning. Like on the resettlement, the National Housing Authority coordinates with me in the building of houses; the Department of Natural Resources' chairman is also involved, being the prime agency involved in choosing areas for the resettlement of both the Aetas and the lowlanders. It could get some funds from the Agrarian Reform. The social welfare is also involved because they are reponsible for the evacuation of the people affected. The Office of Northern Cultural Communities is also assisting. Then by way of consultations, they also talk to other government agencies involved. When they are resettled, they would also need livelihood projects. *Although we talk of livelihood for people in the resettlement, it is possible that we will also be looking at the livelihood of the people outside of the resettlement,* like the Department of Agriculture, the agricultural lands were affected by the eruption. At the same time, this new round of Order 369 states that *we will work with the local government units, so that we look at the priority areas more closely.* These social services which are headed by the Social Welfare includes the Health Department, Department of Education, Labor Department, and the Office of Northern Cultural Commmunities. Here, the requirement estimate is still very soft. Perhaps later, Secretary De Jesus can elaborate on this. However, I heard from him earlier that it may reach not less than 2.5 billion pesos just for the infrastructure alone. The Department of Agriculture's initial estimate was 845 million pesos. But the biggest committee which would need help is the resettlement. Because in doing this, we will turn this tragedy into an opportunity to make life for our people. Before the eruption, the barangays in that place were not properly organized. There were barangays comprising only 20 houses; others 80 houses. These are far apart. It is difficult for the government to help these because it has to give school buildings, health facilities, water, deep wells, shallow wells, and artesian wells to all of them. Even the access codes are too expensive for our infrastructural requirements. Providing training is difficult because they are scattered. What we would do is to go into a real community for town planning. We are now making the model plans and road networks because at present, the arrangement of houses is linear. Sometimes houses are at a distance of three kilometers from each other. So school children sometimes have to walk as far as three kilometers. What we would do is to consolidate, say for example, 10 barangays into a super barangay and bridge their road network so that each has easy access to health facilities. Since we will be forming bigger communities, the construction of small markets and training centers which will involve state universities and colleges will be justified. So, it's going to be a concerted effort—an organized concerted effort. And in doing this, we will be tapping the services of the nongovernment organizations.

[Aquino] Maybe, Jim, so as not to alarm our countrymen in various provinces with your extensive plan for Central Luzon, I would like to inform the public that the only Cabinet member involved in this presidential task force is Secretary Carague. He will be asssisted by regional officials. And since it was only Region Three that was affected and since Secretary Carague is the coordinator for Region Three, I thought it was proper to make him chairman of the task force. I want to assure all of our countrymen that we will not forget all the needs of all the other regions. But Secretary Carague will be in charge of the reconstruction and rehabilitation program. [passage omitted]

Secretary De Jesus, can you please inform our countrymen first of all what is your estimate with regard to the necessary funds for the reconstruction of the damaged public structures?

[De Jesus] Our estimate as of 25 June has reached 1.99 billion pesos, almost two billion. This is not yet final. On national roads, my estimate is 125.2 million pesos; on bridges 202.9 million; flood control 492 million; on public buildings, including public markets, and municipal buildings 291.6 million; on the school buildings 726 million because they suffered a lot of damages; on the access provincial roads 7 million; municipal city roads mostly cleaning and grading 82.2 million; on the barangay roads 62.7 million. The total is 1.99 billion pesos. Maybe if we complete these within a week it will reach up to 2.5 billion pesos.

[Aquino] The first thing you should do are schoolhouses and public markets because there are funds coming from the Economic Support Fund [ESF].

[De Jesus] [passage omitted] The remaining $17 million ESF will be reprogrammed for schoolhouses and public markets, and then we have $20 million from the Rural Improvement Fund that can be reprogrammed so that we can complete all the needs for the schools and public markets. If there is any excess then we can use it in the construction of bridges. [passage omitted] Let us start with the temporary bridges; today is the start of the mobilization of contractors. We were able to create the designs these past few days and have agreed on what kind of temporary bridges to construct that are not expensive but at the same time are reliable, just in case we have a mudflow or lahar and it destroys the bridges; at least the cost of investments is not big. The temporary bridges will take two weeks to construct, the school buildings that will be newly constructed will take 60 days, the school buildings with damaged rooftops that need reroofing will take 30 days. [passage omitted] I expect by the middle of July, reconstruction work on schoolhouses and public markets will be in full swing.

Opposition Said Agreed on Single Candidate

HK0207060691 Quezon City MALAYA in English 2 Jul 91 pp 1, 3

[By Richelda Doloricon]

[Text] The opposition's efforts to field a single candidate in the 1992 presidential elections got a boost when Eduardo Cojuangco Jr. yesterday attended a closed-door meeting of the Nacionalista Party's [NP] central committee.

"Cojuangco's presence signifies a major breakthrough in the unification of the political opposition," said Ike Gutierrez, spokesman of Vice President Salvador Laurel.

An NP leader, who requested anonymity, said Cojuangco, Laurel, and Sen. Juan Ponce Enrile—all of whom have expressed their intentions to run for the presidency—agreed to rally behind a common presidential candidate and vowed to work for the unification of the opposition to insure victory in next year's polls.

The party leader added that the opposition's candidate will be announced during NP's national convention in November or 180 days before the May elections as provided for by the new Election Code.

No additional details were immediately available on the results of yesterday's meeting at Crystal Jade restaurant in San Juan.

Meanwhile, a Filipino lawyer in Los Angeles, who requested that he be not identified, said many Filipinos residing in the U.S. have expressed willingness to come home and campaign for Cojuangco.

The lawyer, who is the president of a Lions Club in Los Angeles, said the U.S.-based Filipinos believe the country needs someone like Cojuangco to surmount its economic problems.

Cojuangco is supported by the newly organized Partido Pilipino [Philippine Party]. The NP leadership, however, has said Cojuangco remains a Nacionalista of good standing.

Newspaper Editor Assesses Presidential Aspirants

HK0207064391 Manila PHILIPPINES NEWSDAY in English 2 Jul 91 pp 1, 2

[By NEWSDAY Managing Editor Teodoro C. Berbano]

[Text] And now comes the "None of the Above" Movement.

A situationer flooding Manila's coffee shops explains that of the 11 politicians who have declared their "availability" in the 1992 presidential elections, none merits a second look.

Since it appears that Tweedledums will be battling Tweedledees, the paper contends there is a need for such movement to force the political parties and the business sector to produce "a new deck of cards" from which to choose the 1992 contenders.

The paper, ostensibly a 1992 situationer of the American Chamber of Commerce and the Philippine Chamber of Commerce and Industry—which could not be contacted yesterday, however, lists the "aspirants (who) have announced their plans to run or are feeling their way to see if they should eventually run." These include (as listed):

1. Senate President Jovito Salonga, Liberal Party president.
2. Speaker Ramon Mitra Jr., Laban ng Demokratikong Pilipino [Struggle of Filipino Democrats, LDP].
3. Senator Aquilino Pimentel Jr., Partido ng Demokratikong Pilipino [Philippine Democratic Party].
4. Defense Secretary Fidel V. Ramos, LDP.
5. Executive Secretary Oscar Orbos, LDP.
6. Cebu Governor Lito Osmena, LDP.
7. Vice President Salvador H. Laurel, Nacionalista Party [NP].
8. Senator Juna Ponce Enrile, NP.
9. Eduardo Cojuangco Jr., partyless but expected to join Partido Pilipino [Filipino Party], a new party formed by a group of young non-politicians.
10. Senator Joseph Estrada, formerly Grand Alliance for Democracy, formerly LP, now partyless and threatening to form Partido ng Masang Pilipino [Party of Filipino Masses].
11. Miriam Defensor Santiago, Reform Party of the Philippines, a new party.

The paper also downplays President Aquino's declaration that she will not run again in 1992, recalling that before she consented to challenge President Marcos in 1986, she also uttered similar pronouncements.

"By encouraging Mitra, Ramos, Orbos and Osmena in their presidential ambitions, she has already caused multiple splits in her camp that cannot be patched up unless she offers herself as the candidate to unify all these aspirants," the paper added.

The paper then proceeds to say that none of the 11 would-be presidents "has captured the popular imagination. After several months of media projection, none of them has said anything memorable."

Hence, it continues, "many voters are saying that if nobody else surfaces, they will boycott the polls. Filipinos are desperately in search of a new leader or a new set of leaders, and they don't see anyone from among the 'presidentiables.'"

Libel laws forbid us to quote verbatim from the descriptions the paper gave each presidential aspirant, but here is a jumbled version, and we invite the readers to try this matching type quiz. Here are the abridged descriptions:

A. Slightly demented ... has failed to answer official charges of corruption.
B. Too, old, too bitter ... the campaign will destroy him.
C. (He) says he is for the masses. But he has done nothing for the masses.
D. The perfect image of the unreconstructed old politician. Braindead, according to President Aquino's former speechwriter.
E. Businessmen fear that if he becomes president he will be the richest and most powerful man in the Philippines.
F. A lackluster politician ... good follower but bad leader.
G. Has acquired four buildings in Makati since he became senior.
H. Several times a billionaire despite his public image of Mr. Clean.
I. With the image of having become unelectable. Sense of timing very poor.
J. A media creation who adores his creator. All gimmickry, no performance.
K. An American who became a Filipino by virtue of a Supreme Court ruling (the dissenting opinion, however, seems more persuasive than the majority decision). Another media creation.

The paper, however, failed to clarify what it wants the people to do, although it concluded that "in a few months, Imelda Marcos will be home or will insist on coming home, and a group led by some leftist personalities will be marching in the streets calling for a cancellation of the elections. *The time to act is now.*"

Statehood, or Pascual Racuyal, anyone?

Ramos Said To Relinquish Post Within 60 Days

HK2606043991 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 26 Jun 91

[Text] Press Secretary Tomas Gomez says that not more than 60 days will elapse before Defense Secretary Fidel Ramos relinquishes his post. This is in preparation for his candidacy with the LDP [Struggle of Philippine Democrats].

Meanwhile Gomez did not confirm that Ramos would be replaced by former Armed Forces Chief Renato de Villa.

[Begin Gomez recording] I don't think it will be more than 60 days before he relinquishes his post. [end recording]

Seven Possible Ramos Replacements Identified

HK0207064691 Manila PHILIPPINE DAILY INQUIRER in English 2 Jul 91 pp 1, 11

[Text] Three defense undersecretaries, the customs commissioner, a former defense chief and a Tarlac congressman have been identified as the other possible successors of Defense Secretary Fidel V. Ramos.

Ramos admitted yesterday, however, that President Aquino still favors retired Armed Forces Chief of Staff Gen. Renato de Villa as his successor.

Those said to be also in the running are Defense Undersecretaries Leonardo Quisumbing, Feliciano Gacis, Eduardo Ermita; Commissioner Salvador Mison; National Security Adviser and former Defense Secretary Rafael Ileto and House defense committee chairman Rep. Jose Yap.

Ramos, who is expected to resign in the next few months to seek the presidential nomination of the ruling Laban ng

Demokratikong Pilipino [Struggle of the Filipino Democrats], did not say if De Villa had accepted the offer. Neither did he say when he was going to resign.

"That is part of the process (of selection)," Ramos said of the meeting between Ms. Aquino and De Villa that was held last Friday. "That (meeting) was on the call of the President."

Ms. Aquino met with De Villa reportedly to formally offer him the top DND [Department of National Defense] post. But Palace sources said the retired general was reluctant to accept the offer because he preferred to attend to his ailing wife Monette who was undergoing treatment at the United States.

Ramos said he was informed of the Aquino-De Villa meeting later last Friday. But sources said Ramos would recommend to the President not De Villa but either Quisumbing or Gacis.

Ramos has also given Ms. Aquino a "set of criteria" for her choice of defense secretary within the next 60 days, the INQUIRER learned yesterday.

Officials close to Ramos said his recommendation did not mention names, but merely the criteria that would ensure "continuity" of work at the DND. They said the criteria were similar to those Ramos gave Ms. Aquino as basis for her choice of AFP [Armed Forces of the Philippines] chief of staff.

Senior defense officials, however, told the INQUIRER they hoped Ms. Aquino would name any of the three undersecretaries to the post should De Villa turn down the offer.

"In such case, there will be continuity in the implementation of policies," a well-placed official said.

"Either of the three will serve to continue where Ramos takes off," a DND accountant said. "Walang [No] disruption."

The most senior undersecretary, Quisumbing, 52, is a lawyer from Masbate. The former chairman of the Philippine Veterans bank rehabilitation committee, Quisumbing was appointed defense undersecretary on Feb. 21, 1987 by then Defense Secretary Rafael Ileto.

Quisumbing obtained his Bachelor of Laws degree from the University of the Philippines, and had attended Cornell University, George Washington University and Michigan State University.

Ermita, 56, is undersecretary for reserve affairs. A former AFP vice chief of staff, Ermita retired as lieutenant general on April 1, 1988. A week later, he was appointed defense undersecretary.

A retired brigadier general, Gacis is defense undersecretary for civil relations. He is the most junior among the three undersecretaries.

Ermita, however, has plans to run for congressman in his district in Batangas, leaving Quisumbing and Gacis for the slot, sources said.

A top Malacanang official was the source some months ago of a news leak saying that Mrs. Aquino had chosen De Villa to replace Ramos who wants to run for president in 1992.

Defense officials close to Ramos said it would be better for him to resign soon and concentrate on his campaign.

Ramos was appointed defense secretary in January, 1988. He replaced Ileto, now the chairman of the National Security Council.

Customs chief Salvador Mison and Rep. Jose Yap are so-called dark horses who cannot be discounted due mainly to political and other factors that work in their favor.

Aquino: Government Committed To End Insurgency

HK0207050891 Manila PHILIPPINES NEWSDAY in English 2 Jul 91 pp 1, 2

[By NEWSDAY reporters Dionisio Tubianosa, Mariquit Almario, and Jessica Domingo-Gross]

[Excerpts] President Aquino yesterday said the government was committed to end the insurgency's armed struggle through peace talks and the Cabinet Cluster E, otherwise known as the crisis committee, endorsed the "community-based local peace zones" that could lead to a nationwide ceasefire. [passage omitted]

President Aquino said Justice Secretary Franklin Drilon, chairman of the Cabinet committee on security and political matters or Cluster E, together with peace advocates, was now formulating a process that could lead to peace.

"Secretary Drilon has been meeting with peace advocates looking for a process that would lead to total cessation of the insurgency's armed struggle. The projected talks will be a continuation of that process," Mrs Aquino said in a statement read to Palace media by Press Secretary Tomas Gomez.

"In pursuit of peace, it is best that the only precondition should be the genuine desire for peace from both sides," Mrs Aquino added.

Drilon, interviewed briefly by Palace reporters, said the community-based local peace zones were not limited to Mt. Pinatubo affected areas. Drilon said the peace talks to be undertaken locally, through local executives and the NPAs [New People's Army], might be held without preconditions, except, as Mrs Aquino said, the "genuine desire for peace from both sides."

"This has always been the policy of (government). We would like to encourage local initiatives if a peace zone is declared, assuming the local executives and the NPA commanders in an area can agree, then they can possibly agree to lay down their arms in those areas and declare it as a zone of peace," Drilon explained.

Drilon added there was no limitation as to the agenda that could be discussed and this could include a political settlement, if possible.

"The local law enforcement officers, the provincial directors, the governors, they will be the ones to try to conduct this dialog together with non-governmental organizations or NGOs," Drilon said.

Drilon explained that, contrary to the call of the insurgents through the PnB [Partido ng Bayan—People's Party] for national peace talk, the government's policy "is community-based people initiated zones of peace" which would actively involve local governemnts and private sector leaders of affected areas.

He also said a formal proposal on the peace zones would be presented to the multi-sectoral peace advocates probably by next week. [passage omitted]

Editorial on Merits of Government-NDF Dialogue

HK0207070991 Manila PHILIPPINE DAILY INQUIRER in English 2 Jul 91 p 4

[Editorial: "Government Should Welcome Dialog With NDF Leaders"]

[Text] If the anti-insurgency campaign were indeed a battle for the hearts and minds of the people, as defense officials piously declare, it would have been over a long time ago—and the communists would be in power.

The latest in a series of rebel propaganda victories were the declaration of a unilateral ceasefire by the new People's Army [NPA]'s Alvarez Peralta Command in Central Luzon and the call for a new round of peace negotiations by the National Democratic Front [NDF]. The ceasefire was announced by the rebels three days after Mt. Pinatubo erupted. A rebel spokesman said it was intended to facilitate the evacuation of people affected by the eruptions and ensure the unhampered flow of relief goods to the victims. Apparently suprised by the move, the military announced the "suspension of hostilities" in the affected areas a few days later.

Last week, the rebels struck again. Citing the need to spare the country from further sufferings after a string of natural disasters, the National Democratic Front invited the government to a new round of peace talks. In an open letter to President Aquino, the umbrella group of 19 rebel organizations, including the CPP [Communist Party of the Philippines]-NPA, said: "In this time of national disaster, the NDF reiterates its willingness to sit down with your government and seriously work towards negotiating a political settlement addressing the roots of the social crisis afflicting our land."

But this time, rather than cut its losses, the government spurned the offer. Justice Secretary Franklin Drilon said the government would pursue talks with "local" rather than "national" communist groups to establish "zones of peace." He explained it by citing military "accounts" purportedly showing that the NDF" has no longer any control over armed elements in the field." The Cabinet later affirmed this policy, with President Aquino announcing that the government was setting no preconditions for sitting down with the rebels in "selected areas."

That divide-and-rule tactic may be as old as war itself, and it's amazing why the government ever thought it could pull it off. So, it was no surprise that the NDF denounced the plan as an attempt to "fragmentalize" the communist movement and dislodge their forces.

The government could have done better than try to pull a fast one on the rebels. With so many problems crying out for immediate solutions, the administration should have welcomed the opportunity to restart the process of finding a lasting remedy to the long-festering sore in the body politic. Or it could have seized the opening given by the NDF to have some respite from the fighting so that it could devote all its energies to the life-and-death matter of relocating the people affected by the eruption and rehabilitating damaged areas.

Nothing would be lost in opening a dialog with the rebels. Granted the NDF cannot order the rebels in the field, any settlement reached with its leaders would surely divide the rebel movement. If the government fears that the rebels would again use the talks for political propaganda, it could insist that the negotiations be held behind closed doors.

Civilian and military officials acknowledge that the anti-communist war won't be decided by superior fire power. With the economy now a shambles, there is little hope it could be quickly won through a concrete demonstration of the superiority of the democratic system, notwithstanding the collapse of communist regimes in Eastern Europe.

The administration vowed to end the insurgency before the end of its term. Now, its only hope of fulfilling that pledge is by concluding a political settlement with the insurgents.

Thailand

Ministry Source: U.S. Trade Talks 'Cordial'

BK0107142091 Bangkok NAEO NA in Thai 1 Jul 91 pp 1, 14

[Text] A Commerce Ministry source said the first round of Thai-U.S. talks on trade disputes has been conducted in a cordial atmosphere. The U.S side has begun to understand Thailand better and has been compiling information from the talks to be used in discussions with U.S. officials in charge of investigating Thailand in the next six months.

On 26 April, the United States placed Thailand, China, and India on the "priority foreign country" watchlist. These countries face trade retaliation under Section 301 of the U.S. Trade Act for their failure to provide sufficient intellectual property rights protection for the United States, especially on music cassette, video tape, and pharmaceutical copyrights.

The U.S. has pressed Thailand to speedily submit the draft patent law to the National Legislative Council so that the bill will become effective from 1 October. But Thailand has said it would submit the draft bill by 31 August. On the trademark law which the U.S. wants to effected by 31 July, Thailand wants to submit the bill to the Council by 31 November.

The source said talks between Thai and U.S. officials in late June proceeded smoothly. Thailand has explained its position and its attempts to speedily solve the patent issue. The U.S. now has a better understanding of Thailand's reasons for not acceding to all its demands. It would bring up Thailand's problems and proposals in discussions with the U.S. officials concerned to map out guidelines to be used in the investigation. Thailand expects the negotiations or investigation to proceed well. The most discussed issue during the talks was the protection of old and new medicine. Both sides will again hold detailed discussions on this issue to compile information for the investigation.

Deputy Director General of the Business Economics Department Suchai Chaowisit led the Thai delegation for the talks while Phatchara Itsarasena Na Ayutthaya was the advisor. The U.S. team was led by Deputy U.S. Trade Representative Sandra Kristoff.

Foreign Minister To Visit Phnom Penh, Hanoi

BK0207015591 Bangkok BANGKOK POST in English 2 Jul 91 p 3

[Text] Foreign Minister Asa Sarasin has accepted Prince Norodom Sihanouk's invitation to visit Phnom Penh in November, Foreign Ministry spokesman Sakthip Krairoek said yesterday.

The trip will make Mr Asa the first top-ranking Thai Government official formally to visit the country in more than a decade.

Mr Sakthip said the invitation was extended by Prince Sihanouk during the Cambodian Supreme National Council meeting in Phatthaya last week.

Mr Asa also plans to visit Vietnam in the end of this month or early in August in expectation that an agreement on a Thai-Vietnamese joint commission will be signed with his Vietnamese counterpart.

The spokesman said the minister had told Economics Department chief Saowanit Khongsiri to follow up Hanoi's reaction to Thailand's draft proposal on the joint commission.

Mr Sakthip said that during the Phatthaya meeting, Prime Minister Anan Panyarachun told Prince Sihanouk of Thailand's intention to set up an embassy in Phnom Penh and asked him to look for an appropriate site for the embassy.

The same request was also conveyed to Prime Minister Hun Sen by Mr Asa.

The spokesman said Thailand hopes it will be among the first group of countries to open embassies in Phnom Penh.

THE NATION Views Cambodian SNC Meeting

BK0207034591 Bangkok THE NATION in English 2 Jul 91 p A 8

[Text] The just-concluded meeting of the 12-member Supreme National Council (SNC) in Phatthaya was an acid test on how divergent Cambodian parties with antagonistic viewpoints, in particular the Phnom Penh government and the Khmer Rouge, could come together in a reconciliatory manner at the negotiating table.

But agreeing to an unlimited ceasefire brokered by the mercurial Prince Norodom Sihanouk in Bangkok before the start of the Phatthaya meeting and actually carrying it out on the ground are entirely two different things.

Several key questions have been left unanswered: How to have the ceasefire monitored? How to stop the flow of foreign arms into Cambodia? And how to implement the UN-sponsored peace plan inside Cambodia?

The SNC which comprises six members from the tripartite resistance and six from the Phnom Penh government now becomes operational with Prince Norodom Sihanouk as de facto chairman, thus putting an end to previous squabbles over the council's leadership. It was also agreed in Phatthaya that the government administration structures of both Phnom Penh and the resistance would remain intact until a new government is formed after a UN-supervised general election.

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The SNC will have its headquarters in Phnom Penh and while its infrastructure is being prepared, the councils' secretariat and work groups would commence their activities in Bangkok to prepare for their next meeting at the Cambodian Embassy in Bangkok in the middle of August.

The world community expressed cautious optimism over the progress made by the Cambodian parties in Phatthaya. Many diplomats who were present in Pattaya as observers were amazed at the speed at which the factions acquiesced to the various proposals (though some seemingly trivial) put forward there.

The power play by China, Vietnam and the host country Thailand was evident at the Phatthaya meeting. The facts that the world was becoming tired of their antics and bickering and their patrons having second thoughts about bank-rolling them constituted tremendous pressure on the Cambodian leaders.

It was not by sheer coincidence that the Phatthaya meeting was held at the same time as the seventh congress of the Vietnamese Communist Party. Beijing had indicated to Hanoi last September that it was ready to normalize relations during the process of finding a solution to Cambodian conflict and not after it. The removal of Foreign Minister Nguyen Co Thach, whom Beijing perceived as an enemy, was a step towards that direction.

Sihanouk, the master of political maneouvring, said he would be a "bridge" between the Khmer Rouge, his powerful ally in the resistance coalition, and the Phnom Penh government. Some observers say Sihanouk was given the carte blanche by China, the main backer of the Khmer Rouge, and the Prince's bargaining power stems from the desire of the resistance to keep him in its camp when Phnom Penh is stepping up its efforts to woo him to change sides.

Sihanouk managed to get Phnom Penh to tone down its demand for the SNC's vice chairmanship post in return foran unlimited ceasefire and an end to foreign arms to all the Cambodian factions. At the same time Sihanouk also persuaded the Khmer Rouge to agree to Hun Sen's proposal that the SNC headquarters be in Phnom Penh.

The radical Khmer Rouge, often blamed for non-conciliatory position in previous rounds of talks, displayed a spirit of compromise despite their primary fear that the Hun Sen government would gain international recognition if the SNC is located in Phnom Penh. The Khmer Rouge are also concerned that their cadres would not be accorded adequate security in Phnom Penh and thus demanded the presence of international missions in the Cambodian capital and security guards to guarantee their safety.

Through out the Phatthaya meeting, no one heard the Phnom Penh government and the Khmer Rouge trading accusations at each other.

One Asian diplomat commented that the four Cambodian rival parties just came to a point of realization that they were many other pertinent issues that they could have agreed a long time ago, if mutual mistrust, insincerity to settle the problem and greed for power in the past had not blinded them.

For the first time in nearly four years of negotiations, the warring factions are starting to build up a new habit of agreeing on their own, said the diplomat.

But room for agreement was limited when the Cambodian parties touched upon the modality of truce verification.

The Khmer Rouge demanded 500-700 UN military personnel to be immediately dispatched to monitor the truce while Phnom Penh wanted a self-monitoring Cambodian committee until the world body was able to send a limited survey team to assist them with the ceasefire and prepare ground information for the future UN control and supervision after the ceasefire and prior to the elections.

The UN Secretary General's special representative Rafeeudin Ahmed made it clear that the world body could only dispatch a full-strength peacekeeping force after the draft UN Comprehensive Political Settlement Agreement (CPSA) is signed. As it stands right now, the only possibility is by using the good offices of the UN secretary-general to despatch a team comprising not more than 15 persons to gather ground information on the four Cambodian factions.

A Cambodian analyst said the Khmer Rouge were afraid that Phnom Penh would use the small UN presence as pretext to oppose a major UN role in the future, and deviate from the UN peace plan which delegates powers to the world body in administering Cambodia, supervising the permanent ceasefire and the demobilizing of troops until the general election is held.

Military experts said disagreement on this issue would only delay the presence of the good offices of the UN and allow both sides to manipulate the unlimited ceasefire agreed in Phatthaya to their advantage.

The experts said the ceasefire could be broken during the coming rainy season in which the resistance and Phnom Penh would try to advance their territories or retake as many captured zones as possible.

From Phatthaya, the next monumental task for the SNC will be in Beijing in the middle of this month where the controversial draft CPSA would be discussed. The UN peace plan was formulated by the five permanent members of the Security Council last summer. The SNC and the two co-chairmen of the Paris International Conference on Cambodia (PICC)—France and Indonesia—would start discussions on what extent the draft CPSA could be amended.

So far the Khmer Rouge have not made it clear whether they wanted to discuss the amendments or not. They have said all along that they wanted the UN peace plan implemented in its entirety and any amendments could only be made by the PICC coordinating committee in Paris.

One of the Phnom Penh delegates told THE NATION that the co-chairmen's revised version to the Hun Sen government's proposed amendment to the draft peace plan put forward at the previous round of talks in Jakarta would be a basis for further negotiation.

The Hun Sen government wants all Cambodian parties to pledge opoposition to the Khmer Rogue's policy and wants a provision in Cambodia's new constitution to prevent the non-return of genocide. They also want a reference to be made on the non-return of genocide in the UN peace plan.

The delegate said Phnom Penh would like to see the response of the Khmer Rouge to the co-chairmen's revised version of the text which already accommodates the Hun Sen government's certain concerns over the return of genocidal policies, the relationship between the SNC and UN Transitional Authority in Cambodia (UNTAC) and the military arrangement.

The PICC's co-chairmen allowed a reference to the Khmer Rouge in the text of the peace plan as "a non-return of universally condemned genocidal policies and practices as to be stated in the 1948 UN Convention on Human Rights and Genocide."

The co-chairmen however objected to Hun Sen's proposal that an international tribunal be set up to try Khmer Rouge leaders who were responsible for mass killing of Cambodians during their rule of terror between 1975-78.

Another contentious issue is whether the resistance members of the SNC would accept Phnom Penh's proposal that any amendment to the main body of the peace plan should be made by a two-thirds majority decision in which if eight of the 12 SNC members agree, the rest four cannot veto. The resistance's contention is that any amendment to the UN peace plan should be made only with a consensus.

According to sources, if the SNC cannot agree on this issue, the decision will be made by UNTAC.

Another sticking point is the eligibility of voters. According to Article Three of the draft CPSA, all adult Cambodians, refugees and internally displaced Khmers are eligible to vote. Phnom Penh on the other hand states that eligible voters could be any Cambodian, except those who have been found guilty of genocidal practices by the International Court.

Given these visible difficulties, Sihanouk's proposal of Beijing as a venue for the SNC informal meeting with the co-chairmen of PICC and UN representatives could serve to soften both the Phnom Penh and Khmer Rouge positions on the draft CPSA.

Minister on Vietnamese Sea Boundary Conflicts

BK0207024191 Bangkok THE NATION in English 2 Jul 91 p A 2

[Text] PM's [Prime Minister's] Office Minister M.R. Kasem S. Kasemsi yesterday voiced support for solving Thai-Vietnamese boundary conflicts by having the countries pursue joint business ventures in disputed areas.

Setting up "joint development areas" is a traditional way of solving territorial water disputes among neighbouring countries. They should be established where Bangkok and Hanoi have over-lapping claims, Kasem said.

Disputes about water boundaries have contributed to the frequent capture of Thai fishermen for alleged violations of Vietnamese waters and the massive Thai crackdown on suspected Vietnamese pirates in the Gulf of Thailand.

Establishment of joint development areas would make it easier to eliminate violations of territorial waters by both sides, Kasem said.

New Samakkhi Tham Political Party Analyzed

BK0207031591 Bangkok BANGKOK POST in English 2 Jul 91 p 4

[Text] The recent formation of the Samakkhi Tham Party has caused a political fanfare with ramifications of speculation. It is taken, with or without validity, as a party which supports Army Commander-in-Chief Gen Suchina Khraprayun as the next prime minister. Some analysts even claimed that it was a military party.

Many political pundits initialy speculated that the new party might compete with the New Aspiration Party headed by former Army Commander-in-chief Gen Chawalit Yongchaiyut. The emergence of the new party would complicate the political game. If anything, a new political scenario has been unveiled.

It can be said that the February 23 coup has dealt a big blow to political parties. Several former cabinet members who are top executives of leading political parties have been put under investigation for supsected corruption. Already in disarray, these political parties would hardly be ready for the upcoming general election.

The parties which have suffered include Chat Thai, Social Action, Solidarity, Ratsadon, Puanchon Chaothai and Muanchon parties. Left totally unscathed are the Phalang Tham and New Aspiration parties. The Democrat and Prachakon Thai parties also suffered, but are better off than the six above-mentioned parties.

Several key leaders of the Chat Thai Party were initially put on the list of "unusually wealthy" persons, namely party leader and former prime minister Gen Chatchai Chunhawan, secretary-general Banhan Sinlapa-acha, Kon Thappharangsi, Gen Praman Adireksan and Sano Thianthong. In addition, a key party member, Pramuan Saphawasu, has declared his intention to leave the Chat Thai Party.

Chat Thai's chance of gaining a large number of seats in the upcoming general election is doubtful. However, old politicians never die, neither will they fade away easily. This is why the coup-makers have to ponder hard over how to maintain their positions of power to ensure that political vengeance will not occur after the political situation has returned to normal.

The Social Action Party is now reduced to a small party. Gone are the glorious days when it was a party of considerable strength. With some of its key members joining the newly-formed Prachathipathai (Democracy) Party, Social Action will have less political clout. The same is true for the Solidarity Party, whose key members have defected or are sitting on the fence. Ratsadon, Muanchon and Puangchon Chaothai may simply evaporate into thin air.

Thus, one can surmise that key players in the next general election will be the Phalang Tham, Democrat, Prachakon Thai, new Aspiration and Samakkhi Tham parties. What about other parties such as Chat Thai and Social Action? Are they to be ruled out altogether? In politics, one cannot rule out any group, faction or party until the die is cast and the dust settled. This is the reason which has compelled the military to be on guard.

Hypothetically, if the New Aspiration Party won the majority of parliamentary seats in the election and became the core party in forming a new coalition government, the military leaders could rest assured that the new government would be congenial to their cause, career and future. If anything, the bond of comradeship may serve as a guarantee. As the military put it, "Blood is thicker than water."

Naturally, there is a feeling of uncertainty among the coupmakers that their future would be at risk if the old guards return to power. This is so when one takes into account the potential vindictiveness harboured by those who suffered from the coup, especially those whose assets had been frozen and whose reputation had been tarnished by the accusation of corruption. Thus, if there is no fool-proof assurance that the New Aspiration Party will become the next government, there must be other possibilities.

The alternatives may inlcude, first, another power seizure. But this is easier said than done. There are simply too many factors and risks involved. It will thus be avoided at all costs.

The second alternative is to make sure that the incumbent military leaders retain their political power. This can be done by having the present Army chief concurrently appointed as Supreme Commander of the Armed Froces. The two positions would guarantee that he and his colleagues would be immune from political persecution.

Thirdly, to make sure that the positions of power will not change substantially, the Army commander-in-chief [C-in-C] can resign his post to assume the premiership while allowing his deputy, who is also his brother-in-law, to serve as Army C-in-C. This way, the circle will be complete. But this path can be treacherous because he will become vulnerable to attacks. In this open political system, no one is immune from the political heat. It will not be a good choice.

It is highly likely that the second choice will be made. But that does not mean the end of the episode. What if there is so much political turbulence that he has to step in, because the Army C-in-C has repeatedly said in public that he would not get involved in politics unless the country's survival is at stake. In that case, he can either move in with force or through the democratic channel. In the latter case, the Samakkhi Tham Party will be helpful.

But all this will depend on how the various parties perform. If the New Aspiration Party gains some 80 seats, there is no doubt that the next prime minister will be Gen Chawalit Yongchaiyut, and Gen Suchinda would probably welcome it. If the Chat Thai Party gains a substantial number of seats and does not want to be in the Opposition, the military leaders will feel threatened. If Chat Thai is in the next government, the situation will go back to square one. This will be unacceptable to the incumbent power elite.

Because it is well organised and has a clear objective and direction, the New Aspiration Party will have an edge on the Samakkhi Tham Party. But it is too early to say how the political game will end. Samakkhi Tham may have a stronghold in the North, but New Aspiration may sweep a large number of sats in the Northeast while the Democrats may do well in the South. Bangkok may be dominated by Phalang Tham with some seats going to Prachakon Thai, Democrat and New Aspiration. The Democracy party may win some seats, but this is hardly significant.

The Chat Thai Party, therefore, is the most important factor. Its performance in the next general election will have great effect on politics and, in particular, the development of democracy. If it manages to win 50-60 seats, Chat Thai will become politically formidable, its present setbacks notwithstanding.

Vietnam

State Council Announces Communique on Meeting

BK0207130391 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 2 Jul 91

["State Council communique on 29 June and 1 July meeting"]

[Text] On 29 June and 1 July, the Council of State met under the chairmanship of President Vo Chi Cong.

1. The State Council gave its views on the preparations for the Ninth Session of the Eight National Assembly to be convened in late July and approved the proposed agenda as follows:

—To pass laws on forests, popularization of Level II education, protection, care for and education of children, and amendments to some points in the criminal code;

—To opine on some bills: amendments to the 1980 Constitution, on the use of agricultural land and income from the land and then to solicit the people's views before submitting the bills to the National Assembly for passage at the year-end session;

—To hear a report on the implementation of the National Assembly resolutions and socioeconomic tasks during the first half of 1991, and on some pressing socioeconomic problems in the second half year;

—To hear a report on our state's foreign affairs, and reports of the Supreme People's Court and the chief procurator for the first half of 1991; and,

—To consider and decide some other important issues.

2. The State Council gave its views on the bills on the use of agricultural land and income from the land after hearing a report of the Council of Ministers and the views of the economic, planning and Budget Committee and the Judiciary Committee of the National Assembly. The State Council entrusted the Council of Ministers and the Economic, Planning and Budget Committee and the Judiciary Committee of the National Assembly with the task of continually perfecting and submitting these bills to the National Assembly for its views at its next session.

3. Implementing the Eighth National Assembly Resolution, the State Council approved the regulations on house and land taxes after hearing a report of the Council of Ministers, the reviewing report of the Economic, Planning and Budget Committtee and the views of the National Assembly's Judiciary Committee. The regulations stipulate the collection of taxes on residential houses and land, and land for building various various projects, and aim to intensify state management control over the use and building of houses, encourage the thrifty and rational use of land in conformity with the stipulations of law on land, and help increase revenues for the state budget and ensure fairness and reasonableness in this important field of social life.

4. The State Council heard representatives of the Council of Ministers and the Supreme Peoples' Organ of Control

report on the situation and results of the struggle against corruption and smuggling, and the handling of serious cases of law violation.

The State Council noted that corruption and smuggling are still widespread and serious under many forms and subtle maneuvers which have degenerated and deviated some components of state cadres and personnel, and have caused bad consequences, and a decline in the people's confidence in the party and the state.

The conduct of anticorruption and antismuggling struggle has initially borne some effect on preventing and somewhat limiting the acts of encroachment on socialist assets, and on educating all people on the scrupulous observance of discipline and law. However, the achieved results are still low compared to the set requirements and objectives. The handling of cases of law violation is still slow and not severe. The renovation of mechanisms and policies is slow and lacks uniformity. Mechanisms and policies are not applied in a unified manner and still have many loopholes that have been taken advantage of by bad people to do illicit business.

The State Council reminds the Council of Ministers, the Supreme People's Organ of Control, the Supreme People's Court, and all echelons, sectors, and localities of the need to coordinate even more closely among one another and to apply really resolute and effective measures to continually accelerate the anticorruption and antismuggling struggle countrywide. In the immediate future, it is necessary to concentrate on definitively settling the serious cases of corruption and smuggling and to announce the results thereof for the public to know. The system of policies and laws, especially the mechanisms of management of production and business, and administrative management, should be perfected, and the organization of cadres should be rearranged. Propaganda and education should be intensified to attract the people of all strata to join the common struggle of the entire society against corruption and smuggling.

5. As recommended by the chief procurator, the State Council decided to appoint some members of the Supreme People's Organ of Control as controllers of the Central Military Organ of Control.

Source: Sihanouk-Hun Sen Alliance Favored

BK2906083191 Hong Kong AFP in English 0815 GMT 29 Jun 91

[By Jean-Claude Chapon]

[Text] Hanoi, June 29 (AFP)—Vietnam, the main backer of the government in Phnom Penh, favors a reversal of alliances in Cambodia and an agreement between Prince Norodom Sihanouk and Prime Minister Hun Sen to end the civil war, a highly reliable Vietnamese source said.

"An alliance between Prince Norodom Sihanouk and Mr. Hun Sen would be the best thing and it is possible from this point," the source said here Friday.

Other highly reliable sources in Bangkok announced Saturday that Prince Sihanouk would visit Hanoi with Mr. Hun Sen next month for discussions on Cambodia.

This reversal of alliances is made possible by the weakening of the Khmer Rouge, the strong arm of the opposition nominally led by the prince, and by a softening of China's stance toward the Phnom Penh government, the source said.

China is the principal backer of the opposition, which groups the Khmer Rouge with the followers of Prince Sihanouk and those of former prime minister Son Sann against the government in Phnom Penh installed by the Vietnamese after their invasion of Cambodia in December 1978.

For the first time since the installation of the government, with which Beijing has no diplomatic relations, Mr. Hun Sen will travel to China to discuss the United Nations-drafted peace plan with the opposition.

Chinese Premier Li Peng said Friday that China welcomed the progress at this week's Cambodian peace talks in Thailand as "an important step towards a political settlement" of the conflict.

The Chinese reversal came in response to the warring Cambodian factions' agreement to extend indefinitely a cease-fire that began May 1, to stop accepting military aid from abroad and to set up Supreme National Council (SNC) grouping the four warring factions in Phnom Penh.

The Vietnamese source said the reversal was also due to Beijing's desire to conform with the world's major powers, by the military weakening of the Khmer Rouge and by the fact that the Marxist group has become increasingly embarrassing since Phnom Penh emphasized the genocide the Khmer Rouge carried out during its radical rule in the 1970s.

"The last two dry seasons in Cambodia showed (the Khmer Rouge) was having military difficulties, and Prince Sihanouk noted that, along with a weakening in his own movement and that of Mr. Son Sann," the source said.

Several weeks ago in Jakarta, Prince Sihanouk and Mr. Hun Sen agreed on a cease-fire which was rejected by the Khmer Rouge.

The Vietnamese source said the U.N. peace plan proposed last year by the five permanent members of the U.N. Security Council—Britain, China, France, the Soviet Union and the United States—was now unnecessary.

"The Cambodians can solve their problems themselves and consequently the U.N. role would be limited to supervising the cease-fire, controlling the halt in military aid, and organizing and supervising election," the source said.

In this case, the source said, the Khmer Rouge would not be able to return to Phnom Penh except as members of the government opposition because "the government will not gloss over the genocide that (the Khmer Rouge) committed."

The group is blamed for the deaths of hundreds of thousands during their rule from 1975-79 which ended with the Vietnamese invasion.

"The Khmer Rouge cannot contest in elections under their real title," the source said. "They are no longer presentable."

Delegation of MIA Experts Visits U.S. Center

BK0107164191 Hanoi VNA in English 1303 GMT 1 Jul 91

[Text] Hanoi VNA July 1—A delegation of MIA experts led by Ngo Hoang, deputy director of the Vietnam MIA office, has paid a working visit to the US Joint Casualty Resolution Centre and the Central Identification Laboratory in Honolulu, Hawaii, as guest of the US Department of Defence.

During the visit, made on June 23-27 within the framework of the bilateral cooperation for the settlement of the MIA issue, the two sides had useful discussions and exchanges of experiences.

Army To Assist in Red Cross Work

BK0207065391 Hanoi VNA in English 0608 GMT 2 Jul 91

[Text] Hanoi VNA July 2—A coordination programme for humanitarian activities was signed here yesterday by Prof. Nguyen Trong Nhan, president of the Vietnam Red Cross, and Sen. Lieut. [Senior Lieutenant] General Nguyen Nam Khanh, deputy director of the General Political Department of the Vietnam People's Army.

Under this programme, the Armed Forces will engage in Red Cross activities in all places of their stationing, especially in the remote localities. Besides motivating the army units to join the local population in humanitarian work, the army will take a more active part in disaster prevention, relief and rescue operations and in popularizing the law on humanitarian acts.

Soviets Help Set Up Food Irradiation Center

BK0207065991 Hanoi VNA in English 0606 GMT 2 Jul 91

[Text] Hanoi VNA July 2—Installation of the equipment for the first phase of the construction of the Hanoi Irradiation Centre has been completed in the framework of a food irradiation project codenamed VIE/8/004.

The project is financed by the International Atomic Energy Agency (IAEA) and equipment is supplied by the Soviet Union. Construction of the centre started in 1988.

The centre, the first of its kind in Vietnam, is intended to preserve food and farm products. It is expected to become operational in late July.

Agreement Reached With Morocco on Continued Ties

BK0107163591 Hanoi VNA in English 1442 GMT 1 Jul 91

[Text] Hanoi VNA July 1—The Governments of the Socialist Republic of Vietnam and the Kingdom of Morocco have agreed to continue their normal diplomatic relations.

This came in a communique released today by the ministries for foreign affairs of the two countries.

Ho Chi Minh City Sets Up Consulting Company

BK0107163191 Hanoi VNA in English 1441 GMT 1 Jul 91

[Text] Hanoi VNA July 1—Ho Chi Minh City has set up an International Consulting and Service Company (ICSC) to provide consultative services to both Vietnamese and foreign economic organizations and individuals in investment, joint ventures and trade.

ICSC will also provide information about market, goods, finance, prices, labour and other subjects.

Tourism, visa and import-export services will also be available.

Australia

Canberra To Appoint Envoy to Cambodia's SNC

BK0207084391 Hong Kong AFP in English 0826 GMT 2 July 91

[Excerpts] Canberra, July 2 (AFP)—Australia is to appoint an ambassador to Cambodia's Supreme National Council (SNC), becoming the first nation to do so under last month's peace agreement, Foreign Minister Gareth Evans said Tuesday.

Australia's ambassador to Thailand, Richard Butler, will also act in the capacity of part-time ambassador to the SNC in a new embassy being set up in Phnom Penh, Mr. Evans said in a statement.

Australia decided to recommend the diplomatic accreditation immediately in response to the invitation from the SNC chairman, former Cambodian monarch Prince Norodom Sihanouk.

The decision was to accredit to the SNC rather than to the Phnom Penh government or to the rival government of the three resistance factions, Mr. Evans said.

But he said while there was a commitment on the part of all those involved in the Cambodian peace settlement reached in Phatthaya, Thailand, last month to make it work, "none of us are counting our chickens."

"We've been disappointed too often before," he said. "But obviously the whole process has generated a tremendous amount of new momentum over the last couple of weeks." [passage omitted]

Mr. Evans said the Cambodian parties are talking to each other "in a much more constructive way than has previously been the case."

"The SNC does seem to be emerging as a key negotiating vehicle as well as a purely formal vehicle for putting the settlement together," he said.

"The other countries that have been involved in this from the Permanent Five Security Council members are all solidly committed to the process which is now occurring."

"With a bit of luck I think we will now be able to put something together now which will get this off the international agenda once and for all," Mr. Evans said.

He said he believed the factions had "just about fought themselves to a standstill" and all sensed their external patrons were losing patience with them.

But the cease-fire probably could not be guaranteed until a "decent-size United Nations peacekeeping force goes in there to monitor, to supervise, to verify."

There was a possibility of a smaller U.N. group of up to 150 people going to do some preliminary work towards building cease-fire observance structure and "generally engaging in a bit of confidence-building," he said.

In Bangkok, Mr. Butler met Prince Sihanouk shortly before the former Cambodian monarch left Tuesday for Beijing, to deliver a letter from the Australian Government to inform the prince of its move.

The ambassador said Prince Sihanouk described the decision as "perfect."

Mr. Butler said he expected to travel to Beijing shortly to formally present his credentials to SNC members, who are to meet in the Chinese capital to discuss further peace moves in Cambodia.

Fiji

Government Assures Unions of Constitutional Right

BK0207103291 Hong Kong AFP in English 0926 GMT 2 Jul 91

[Text] Suva, July 2 (AFP)—Fiji's government Tuesday assured trade unions their constitutional rights remained intact despite the draconian provisions of new antiunion decrees.

Attorney-general Sailosi Kepa's announcement, seen here as a second concession to the unions in as many days, failed however to alter their plans to launch a general strike from July 16.

"The strike on July 16 stands," said Pratap Chand of the Fiji Trades Union Congress, an umbrella body representing 35 unions.

The government Monday gave in to union pressure by agreeing to shelve plans to introduce a controversial value-added tax and promised to hold talks with unions before implementing further labour market changes.

The unions want the government to abandon these changes and withdraw its May 29 decrees, which carry penalties of 14 years in jail and 10,000 Fijian dollar (7,000 U.S.) fines for disrupting the economy.

Mr. Kepa said only unionists whose "actions which may be considered of sufficient gravity to harm the economy to the extent that the economy is in danger of collapsing" would be liable for prosecution.

The decrees "are not intended to, and do not, deprive trade unions from exercising their rights guaranteed under the Constitution," he added.

The activities covered by the decrees "must be seen as exceptions and apply only to extraordinary situations where the collapse of the economy of the nation is likely," he said.

The decrees were introduced following a sugarcane harvest boycott mainly by ethnic Indian growers and a four-month-old gold miners strike.

Vanuatu

Ruling Party To Hold Early Congress in Aug

BK0207090491 Melbourne Radio Australia in English 0500 GMT 2 Jul 91

[Text] Vanuatu's governing Vanuaaku Party is to hold an extraordinary congress to elect new officials. Party officials said the congress had been called for 7 August. They said the executives of the party had decided on the move on Monday in what is seen as a move to drop the prime miniser, Father Walter Lini.

The executives also proposed dissolving Parliament in September and calling an early election 4 to 6 weeks later. Officials said that Father Lini was not expected to survive as prime minister, except in a caretaker capacity. He had been prime minister since Vanuatu gained independence from Britain and France in 1980. He resumed work in mid June after heart treatment in Sydney.

AFP news agency says party colleagues are said to be concerned about his health and recent unpopular political moves. These included demanding pledges of loyalty from ministers and top civil servants.

Father Lini sacked four ministers and 15 officials last week for alleged disloyalty. Two of the sacked ministers, Mr. Iolu Abbil and Mr. Donald Kalpokas, are regarded as strong contenders to succeed Father Lini.